

1.1 A bill for an act

1.2 relating to human services; modifying human services provisions on aging and

1.3 health care, behavioral health, housing, licensing and program integrity, mental

1.4 health licensing, background studies, and forecasted program appropriations

1.5 adjustments; requiring reports; appropriating money; amending Minnesota Statutes

1.6 2024, sections 62D.04, subdivision 5; 142B.15; 142B.79; 144.057, subdivision 1;

1.7 144.292, subdivision 6; 245.4661, subdivision 10, by adding subdivisions;

1.8 245.4711, subdivision 5; 245.4881, subdivision 5; 245.735, subdivision 6; 245A.10,

1.9 by adding a subdivision; 245A.65, subdivision 1a; 245C.03, subdivisions 1, 2, 3,

1.10 4, 5a, 5b, 7, 9, 10, 12, by adding subdivisions; 245C.04, subdivisions 1, 4a;

1.11 245C.10, subdivisions 4, 5, 8, 17; 245C.14, subdivisions 1, 2; 245C.24, subdivision

1.12 2; 245D.09, subdivisions 6, 7; 245G.03, subdivision 1; 245I.011, subdivisions 3,

1.13 5, by adding a subdivision; 245I.02, subdivisions 33, 39, by adding subdivisions;

1.14 245I.03, subdivision 4, by adding a subdivision; 245I.06, subdivisions 1, 2; 245I.07;

1.15 245I.10, subdivisions 6, 8, by adding a subdivision; 252.27, by adding subdivisions;

1.16 254A.03, subdivision 2; 254B.06, subdivision 2; 256.01, by adding a subdivision;

1.17 256B.04, subdivision 27, by adding a subdivision; 256B.05, subdivision 1;

1.18 256B.056, subdivisions 1, 2a, 3d, 7, 7a; 256B.0561, subdivision 2; 256B.06,

1.19 subdivision 4; 256B.061; 256B.0623, subdivisions 1, 3, 12; 256B.0624,

1.20 subdivisions 1, 4, by adding a subdivision; 256B.0625, subdivisions 3c, 3d, by

1.21 adding subdivisions; 256B.0631, subdivision 1a, by adding subdivisions;

1.22 256B.0658; 256B.076, subdivision 1, by adding subdivisions; 256B.0761,

1.23 subdivision 2; 256B.094, subdivisions 2, 3, 6, 7; 256B.0943, subdivisions 2, 5a;

1.24 256B.14, subdivision 2; 256B.198; 256B.69, subdivision 1; 256B.75; 256L.03,

1.25 subdivision 1; 256L.04, subdivision 14; 295.52, subdivision 8; 297E.02, subdivision

1.26 3; Minnesota Statutes 2025 Supplement, sections 142A.09, subdivision 1; 142B.05,

1.27 subdivision 3; 142B.10, subdivision 14; 245.4661, subdivision 9; 245A.03,

1.28 subdivision 2; 245A.04, subdivision 7; 245A.05; 245A.07, subdivision 3; 245A.10,

1.29 subdivisions 3, 4; 245C.02, subdivision 15a; 245C.03, subdivision 6; 245C.05,

1.30 subdivisions 5, 5a; 245C.08, subdivision 1; 245C.10, subdivisions 6, 9, 22; 245C.13,

1.31 subdivision 2; 245C.16, subdivision 1; 245C.22, subdivision 5; 245I.04,

1.32 subdivisions 5, 17; 254B.02, subdivision 5; 254B.03, subdivision 4; 254B.0503,

1.33 subdivision 1; 254B.0509, subdivision 2; 256.01, subdivision 2; 256.9657,

1.34 subdivision 2b; 256.969, subdivision 2f; 256B.04, subdivision 21; 256B.0625,

1.35 subdivisions 5m, 20; 256B.0911, subdivision 14; 256B.0924, subdivision 6;

1.36 256B.0943, subdivisions 3, 12; 256B.1973, subdivision 9; 256I.04, subdivision

1.37 2c; 260E.14, subdivision 1; 626.5572, subdivision 13; Laws 2025, First Special

1.38 Session chapter 3, article 22, sections 2; 4, subdivision 1, by adding a subdivision;

2.1 Laws 2025, First Special Session chapter 9, article 4, sections 2; 23; 38; 39; 40;
 2.2 41; 42; 43; 44; 50; 51; article 12, section 21; proposing coding for new law in
 2.3 Minnesota Statutes, chapters 245A; 245I; 256B; repealing Minnesota Statutes
 2.4 2024, sections 245.735, subdivisions 1a, 2a, 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 4a, 4b,
 2.5 4c, 4e, 7, 8; 245C.03, subdivisions 3a, 3b, 5, 6a, 7, 9a; 245C.04, subdivisions 2,
 2.6 3, 4, 5, 7, 8, 9, 10, 11; 245I.20, subdivision 9; 245I.23, subdivision 23; 256B.0371,
 2.7 subdivisions 1, 2, 4; 256B.051, subdivisions 1, 4, 7; 256B.055, subdivision 14;
 2.8 256B.0623, subdivisions 2, 4, 5, 6, 9; 256B.0624, subdivisions 2, 3, 4a, 5, 6, 6a,
 2.9 6b, 7, 8, 9, 11; 256B.0943, subdivisions 4, 5, 5a, 6, 7, 11; Minnesota Statutes 2025
 2.10 Supplement, sections 245.735, subdivisions 3, 4d; 245C.04, subdivisions 6, 12,
 2.11 13; 256B.0371, subdivision 3; 256B.051, subdivisions 2, 3, 5, 6, 6a, 6b, 8, 9, 10;
 2.12 256B.0943, subdivisions 1, 9; 256B.695; 256B.696; Laws 2025, First Special
 2.13 Session chapter 3, article 18, section 3.

2.14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.15 **ARTICLE 1**

2.16 **HEALTH CARE**

2.17 Section 1. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

2.18 Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of
 2.19 reviewing current medical care, the provider must not charge a fee.

2.20 (b) When a provider or its representative makes copies of patient records upon a patient's
 2.21 request under this section, the provider or its representative may charge the patient or the
 2.22 patient's representative no more than the following amount, unless other law or a rule or
 2.23 contract provide for a lower maximum charge:

2.24 (1) for paper copies, \$1 per page, plus \$10 for time spent retrieving and copying the
 2.25 records;

2.26 (2) for x-rays, a total of \$30 for retrieving and reproducing x-rays; and

2.27 (3) for electronic copies, a total of \$20 for retrieving the records.

2.28 (c) For any copies of paper records provided under paragraph (b), clause (1), a provider
 2.29 or the provider's representative may not charge more than a total of:

2.30 (1) \$10 if there are no records available;

2.31 (2) \$30 for copies of records of up to 25 pages;

2.32 (3) \$50 for copies of records of up to 100 pages;

2.33 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

2.34 (5) \$500 for any request.

3.1 (d) A provider or its representative may charge a \$10 retrieval fee, but must not charge
 3.2 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's
 3.3 authorized representative if the request for copies of records is for purposes of appealing a
 3.4 denial of Social Security disability income or Social Security disability benefits under title
 3.5 II or title XVI of the Social Security Act or for purposes of a disability determination by
 3.6 the department's state medical review team. Notwithstanding the foregoing, a provider or
 3.7 its representative must not charge a fee, including a retrieval fee, to provide copies of records
 3.8 requested by a patient or the patient's authorized representative if the request for copies of
 3.9 records is for purposes of appealing a denial of Social Security disability income or Social
 3.10 Security disability benefits under title II or title XVI of the Social Security Act or for purposes
 3.11 of a disability determination by the department's state medical review team when the patient
 3.12 is receiving public assistance, represented by an attorney on behalf of a civil legal services
 3.13 program, or represented by a volunteer attorney program based on indigency. The patient
 3.14 or the patient's representative must submit one of the following to show that they are entitled
 3.15 to receive records without charge under this paragraph:

3.16 (1) a public assistance statement from the county or state administering assistance;

3.17 (2) a request for records on the letterhead of the civil legal services program or volunteer
 3.18 attorney program based on indigency; or

3.19 (3) a benefits statement from the Social Security Administration.

3.20 For the purpose of further appeals, a patient may receive no more than two medical record
 3.21 updates without charge, but only for medical record information previously not provided.

3.22 For purposes of this paragraph, a patient's authorized representative does not include units
 3.23 of state government engaged in the adjudication of Social Security disability claims.

3.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.25 Sec. 2. Minnesota Statutes 2024, section 245.4711, subdivision 5, is amended to read:

3.26 Subd. 5. **Coordination between case manager and community support services.** (a)
 3.27 The county board must establish procedures that ensure ongoing contact and coordination
 3.28 between the case manager and the community support services program as well as other
 3.29 mental health services.

3.30 (b) At a minimum, the case manager must have at least one case management contact
 3.31 with a documented core service component, as defined by the commissioner, to claim
 3.32 reimbursement for adult mental health targeted case management. Adult mental health case
 3.33 managers must not conduct the required case management contact by telephone with the

4.1 adult client or the adult client's legal representative for more than two consecutive calendar
4.2 months.

4.3 Sec. 3. Minnesota Statutes 2024, section 245.4881, subdivision 5, is amended to read:

4.4 Subd. 5. **Coordination between case manager and family community support**
4.5 **services.** (a) The county board must establish procedures that ensure ongoing contact and
4.6 coordination between the case manager and the family community support services as well
4.7 as other mental health services for each child.

4.8 (b) At a minimum, the case manager must have at least one contact in every calendar
4.9 month, conducted in person or by interactive video that meets the requirements of section
4.10 256B.0625, subdivision 20b, with the child, the child's parents, or the child's legal
4.11 representative.

4.12 Sec. 4. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision to
4.13 read:

4.14 Subd. 4a. **Case management contact.** "Case management contact" means interactive
4.15 communication conducted either in person, by interactive video that meets the requirements
4.16 of section 256B.0625, subdivision 20b, or by telephone with the client; client's parent; legal
4.17 guardian, guardian ad litem, or attorney for clients that are children or youth under 19 years
4.18 of age; or client's attorney for clients that are adults 19 years of age or older.

4.19 Sec. 5. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
4.20 read:

4.21 Subd. 1b. **Definitions.** (a) For purposes of this section, the following terms have the
4.22 meanings given.

4.23 (b) "Income" means the adjusted gross income of the natural or adoptive parents
4.24 determined according to the previous year's federal tax form, except that taxable capital
4.25 gains used to purchase a home are not counted as income.

4.26 (c) "Insurance" means health and accident insurance coverage enrollment in a nonprofit
4.27 health service plan, health maintenance organization, self-insured plan, or preferred provider
4.28 organization.

4.29 **EFFECTIVE DATE.** This section is effective January 1, 2027.

5.1 Sec. 6. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
5.2 read:

5.3 Subd. 7. **Parental responsibility.** Parents with household adjusted gross income equal
5.4 to or greater than 675 percent of the federal poverty guidelines are responsible for a portion
5.5 of the cost of services according to subdivision 8 if:

5.6 (1) insurance or other health care benefits pay some but not all of the cost of services;
5.7 and

5.8 (2) no insurance or other health care benefits are available.

5.9 **EFFECTIVE DATE.** This section is effective January 1, 2027.

5.10 Sec. 7. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
5.11 read:

5.12 Subd. 8. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
5.13 not including a child determined eligible for medical assistance without consideration of
5.14 parental income under the Tax Equity and Fiscal Responsibility Act option or a child
5.15 accessing home and community-based waiver services, must contribute to the cost of services
5.16 used by making monthly payments on a sliding scale based on income unless:

5.17 (1) the child is married or has been married;

5.18 (2) parental rights have been terminated; or

5.19 (3) the child's adoption is subsidized according to chapter 259A or through title IV-E
5.20 of the Social Security Act.

5.21 (b) The parental contribution is a partial or full payment for medical services provided
5.22 for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and
5.23 personal care services as defined in United States Code, title 26, section 213, needed by the
5.24 child with a chronic illness or disability.

5.25 (c) For households with adjusted gross income equal to or greater than 675 percent of
5.26 federal poverty guidelines, the commissioner must compute the parental contribution by
5.27 applying the following schedule of rates to the adjusted gross income of the natural or
5.28 adoptive parents:

5.29 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
5.30 guidelines and less than 975 percent of federal poverty guidelines, the commissioner must
5.31 determine the parental contribution using a sliding fee scale established by the commissioner
5.32 that begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty

6.1 guidelines and increases to 5.99 percent of adjusted gross income for those with adjusted
6.2 gross income up to 975 percent of federal poverty guidelines; and

6.3 (2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
6.4 guidelines, the parental contribution must be 7.49 percent of adjusted gross income.

6.5 (d) If the child lives with the parent, the commissioner must reduce the annual adjusted
6.6 gross income by \$2,400 before calculating the parental contribution. If the child resides in
6.7 an institution specified in section 256B.35, the parent is responsible for the personal needs
6.8 allowance specified under section 256B.35 in addition to the parental contribution determined
6.9 under this section. The parental contribution is reduced by any amount required to be paid
6.10 directly to the child pursuant to a court order, but only if actually paid.

6.11 **EFFECTIVE DATE.** This section is effective January 1, 2027.

6.12 Sec. 8. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
6.13 read:

6.14 Subd. 9. **Household size; contribution adjustments.** (a) The household size used in
6.15 determining the amount of contribution under subdivision 8 includes natural and adoptive
6.16 parents and their dependents, including the child receiving services.

6.17 (b) The commissioner must implement adjustments in the contribution amount due to
6.18 annual changes in the federal poverty guidelines on the first day of July following publication
6.19 of the changes.

6.20 **EFFECTIVE DATE.** This section is effective January 1, 2027.

6.21 Sec. 9. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
6.22 read:

6.23 Subd. 10. **Contribution explained in writing.** (a) The commissioner must explain the
6.24 contribution in writing to the parents at the time eligibility for services is determined. The
6.25 parents must make the contribution on a monthly basis starting with the first month in which
6.26 the child receives services.

6.27 (b) Annually upon redetermination or at termination of eligibility, if the contribution
6.28 exceeded the cost of services provided, the local agency or the state must reimburse the
6.29 excess amount to the parents either by direct reimbursement if the parent is no longer required
6.30 to pay a contribution or by a reduction in or waiver of parental fees until the excess amount
6.31 is exhausted. All reimbursements must include a notice that the amount reimbursed may be
6.32 taxable income if the parent paid for the parent's fees through an employer's health care

7.1 flexible spending account under the Internal Revenue Code, section 125, and that the parent
7.2 is responsible for paying the taxes owed on the amount reimbursed.

7.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

7.4 Sec. 10. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
7.5 read:

7.6 Subd. 11. **Annual review; written notice.** (a) The commissioner must review the monthly
7.7 contribution amount at least once every 12 months and when there is a change in household
7.8 size or there is a loss of or gain in income from one month to another in excess of ten percent.

7.9 (b) The local agency must mail a written notice 30 days in advance of the effective date
7.10 of a change in the contribution amount. A decrease in the contribution amount is effective
7.11 in the month that the parent verifies a reduction in income or change in household size.

7.12 **EFFECTIVE DATE.** This section is effective January 1, 2027.

7.13 Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
7.14 read:

7.15 Subd. 12. **Parents who do not live with each other; contribution.** Parents of a minor
7.16 child who do not live with each other must each pay the contribution required under
7.17 subdivision 8. The commissioner must deduct an amount equal to the annual court-ordered
7.18 child support payment actually paid on behalf of the child receiving services from the
7.19 adjusted gross income of the parent making the payment before calculating the parental
7.20 contribution under subdivision 8.

7.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

7.22 Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
7.23 read:

7.24 Subd. 13. **Parents with more than one child receiving services; contribution.** The
7.25 commissioner must not require parents who have more than one child receiving services to
7.26 pay more than the amount for the child with the highest expenditures. The commissioner
7.27 must not require the parent to pay a contribution in excess of the cost of the services provided
7.28 to the child, not counting payments made to school districts for education-related services.

7.29 **EFFECTIVE DATE.** This section is effective January 1, 2027.

8.1 Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
8.2 read:

8.3 Subd. 14. **Insurance coverage.** (a) The commissioner must increase the contribution
8.4 under subdivision 8 by an additional five percent if the local agency determines that insurance
8.5 coverage is available but not obtained for the child.

8.6 (b) For purposes of this subdivision, "available" means insurance that is a benefit of
8.7 employment for a family member at an annual cost of no more than five percent of the
8.8 family's annual income.

8.9 **EFFECTIVE DATE.** This section is effective January 1, 2027.

8.10 Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
8.11 read:

8.12 Subd. 15. **Contribution reduction.** (a) The commissioner must reduce the contribution
8.13 under subdivision 8 by \$300 per fiscal year if in the 12 months before July 1:

8.14 (1) the parent applied for insurance for the child;

8.15 (2) the insurer denied insurance;

8.16 (3) the parents submitted a complaint or appeal in writing to the insurer, submitted a
8.17 complaint or appeal in writing to the commissioner of health or the commissioner of
8.18 commerce, or litigated the complaint or appeal; and

8.19 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

8.20 (b) A parent who requests a reduction in the contribution amount under this subdivision
8.21 must submit proof in the form and manner prescribed by the commissioner or local agency,
8.22 including but not limited to the insurer's denial of insurance, the written letter or complaint
8.23 of the parents, court documents, and the written response of the insurer approving insurance.
8.24 The determinations of the commissioner or local agency under this subdivision are not rules
8.25 subject to chapter 14.

8.26 **EFFECTIVE DATE.** This section is effective January 1, 2027.

8.27 Sec. 15. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
8.28 read:

8.29 Subd. 16. **Civil actions.** If a parent fails to make appropriate reimbursement as required
8.30 in subdivisions 7 and 8, the attorney general, at the request of the commissioner, may institute

9.1 or direct the appropriate county attorney to institute civil action to recover the required
9.2 reimbursement.

9.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

9.4 Sec. 16. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
9.5 read:

9.6 Subd. 17. **Order of payment.** If the parental contribution is for reimbursement for the
9.7 cost of services to both the local agency and the medical assistance program, the local agency
9.8 must be reimbursed for the local agency's expenses first and the remainder must be deposited
9.9 in the medical assistance account.

9.10 **EFFECTIVE DATE.** This section is effective January 1, 2027.

9.11 Sec. 17. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
9.12 read:

9.13 Subd. 18. **Determination; redetermination; notice.** The commissioner must mail a
9.14 determination order and written notice of parental fee to the parent at least annually, or more
9.15 frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination
9.16 order and notice must contain the following information:

9.17 (1) the amount the parent is required to contribute;

9.18 (2) notice of the right to a redetermination and appeal; and

9.19 (3) the telephone number of the division at the department that is responsible for
9.20 redeterminations.

9.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

9.22 Sec. 18. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
9.23 read:

9.24 Subd. 19. **Appeals.** (a) A parent may appeal the determination or redetermination of an
9.25 obligation to make a contribution under this section according to section 256.045. The parent
9.26 must make a request for a hearing in writing within 30 days of the date the commissioner
9.27 mails the determination or redetermination order or within 90 days of the written notice if
9.28 the parent shows good cause why the request was not submitted within the 30-day time
9.29 limit. The commissioner must provide the parent with a written notice that acknowledges
9.30 receipt of the request and notifies the parent of the date of the hearing. While the appeal is

10.1 pending, the parent has the rights regarding making payment that are provided in Minnesota
 10.2 Rules, part 9550.6235.

10.3 (b) If the commissioner's determination or redetermination is affirmed, the parent must
 10.4 within 90 calendar days after the date an order is issued under section 256.045, subdivision
 10.5 5, pay the total amount due from the effective date of the notice of determination or
 10.6 redetermination that was appealed by the parent. If the commissioner's order under this
 10.7 subdivision results in a decrease in the parental fee amount, the commissioner must credit
 10.8 any payments made by the parent that result in an overpayment to the parent as provided
 10.9 in Minnesota Rules, part 9550.6235, subpart 3.

10.10 **EFFECTIVE DATE.** This section is effective January 1, 2027.

10.11 Sec. 19. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to
 10.12 read:

10.13 Subd. 45. **Health care eligibility oversight unit.** (a) The commissioner shall establish
 10.14 and maintain a Department of Human Services health care eligibility oversight unit
 10.15 responsible for collaboration at a regional level to ensure federal and state Medicaid eligibility
 10.16 requirements are consistently applied by all processing entities.

10.17 (b) The oversight unit must monitor compliance, identify systemic issues, and provide
 10.18 guidance and technical assistance to lead agencies.

10.19 (c) The commissioner shall require lead agencies to work directly with the oversight
 10.20 unit on corrective action planning and implementation to achieve compliance and strengthen
 10.21 performance outcomes.

10.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.23 Sec. 20. Minnesota Statutes 2025 Supplement, section 256.9657, subdivision 2b, is amended
 10.24 to read:

10.25 Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms
 10.26 have the meanings given:

10.27 (1) "eligible hospital" means:

10.28 (i) PrairieCare psychiatric hospital; or

10.29 (ii) a hospital licensed under section 144.50, located in Minnesota, and with a Medicare
 10.30 cost report filed and showing in the Healthcare Cost Report Information System (HCRIS),
 10.31 except for the following:

- 11.1 (A) federal Indian Health Service facilities;
- 11.2 (B) state-owned or state-operated regional treatment centers and all state-operated
11.3 services;
- 11.4 (C) federal Veterans Administration Medical Centers; ~~and~~
- 11.5 (D) long-term acute care hospitals; and
- 11.6 (E) hospitals that do not receive payments under section 256B.1974;
- 11.7 (2) "net outpatient revenue" means total outpatient revenue less Medicare revenue as
11.8 calculated from:
- 11.9 (i) values on Worksheet G of the hospital's Medicare cost report; or
- 11.10 (ii) for PrairieCare psychiatric hospital, data available to the commissioner; and
- 11.11 (3) "total patient days" means total hospital inpatient days as reported on:
- 11.12 (i) Worksheet S-3 of the hospital's Medicare cost report; or
- 11.13 (ii) for PrairieCare psychiatric hospital, data available to the commissioner.
- 11.14 (b) Subject to paragraphs (m) to (o), each eligible hospital must pay assessments to the
11.15 hospital directed payment program account in the special revenue fund, with an aggregate
11.16 annual assessment amount equal to the sum of the following:
- 11.17 (1) \$120.22 multiplied by total patient days; and
- 11.18 (2) 5.96 percent of the hospital's net outpatient revenue.
- 11.19 (c) The assessment amount for calendar years 2026 and 2027 must be based on the total
11.20 patient days and net outpatient revenue reflected on an eligible hospital's Medicare cost
11.21 report as follows:
- 11.22 (1) an eligible hospital with a fiscal year ending on March 31 or June 30 must use data
11.23 from a cost report from the hospital's fiscal year 2022; and
- 11.24 (2) an eligible hospital with a fiscal year ending on September 30 or December 31 must
11.25 use data from a cost report from the hospital's fiscal year 2021.
- 11.26 (d) The annual assessment amount for calendar years after 2027 must be set for a two-year
11.27 period and must be based on the total patient days and net outpatient revenue reflected on
11.28 an eligible hospital's most recent Medicare cost report filed and showing in HCRIS as of
11.29 August 1 of the year prior to the subsequent two-year period.

12.1 (e) The commissioner may, after consultation with the Minnesota Hospital Association,
12.2 modify the rates of assessment in paragraph (b) as necessary to comply with federal law,
12.3 obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or
12.4 otherwise maximize under this section federal financial participation for medical assistance.
12.5 Notwithstanding the foregoing authorization to maximize federal financial participation for
12.6 medical assistance, the commissioner must reduce the rates of assessment in paragraph (b)
12.7 as necessary to ensure:

12.8 (1) the state's aggregated health care-related taxes on inpatient hospital services do not
12.9 exceed 5.75 percent of the net patient revenue attributable to those services; and

12.10 (2) the state's aggregated health care-related taxes on outpatient hospital services do not
12.11 exceed 5.75 percent of the net patient revenue attributable to those services.

12.12 (f) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the
12.13 commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay the
12.14 quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments
12.15 must be paid in the form and manner specified by the commissioner. An eligible hospital
12.16 is prohibited from paying a quarterly assessment until the eligible hospital has received the
12.17 applicable invoice under paragraph (g).

12.18 (g) The commissioner must provide eligible hospitals with an invoice by December 1
12.19 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the
12.20 assessment due July 1, and September 1 for the assessment due October 1 each year.

12.21 (h) The commissioner must notify each eligible hospital of the hospital's estimated annual
12.22 assessment amount for the subsequent calendar year by October 15 each year.

12.23 (i) If any of the dates for assessments or invoices in paragraphs (f) to (h) fall on a holiday,
12.24 the applicable date is the next business day.

12.25 (j) A hospital that has merged with another hospital must have the surviving hospital's
12.26 assessment revised at the start of the hospital's first full fiscal year after the merger is
12.27 complete. A closed hospital is retroactively responsible for assessments owed for services
12.28 provided through the final date of operations.

12.29 (k) If the commissioner determines that a hospital has underpaid or overpaid an
12.30 assessment, the commissioner must notify the hospital of the unpaid assessment or of any
12.31 refund due. The commissioner must refund a hospital's overpayment from the hospital
12.32 directed payment program account created in section 256B.1975, subdivision 1.

13.1 (l) Revenue from an assessment under this subdivision must only be used by the
13.2 commissioner to pay the nonfederal share of the directed payment program under section
13.3 256B.1974.

13.4 (m) The commissioner is prohibited from collecting any assessment under this subdivision
13.5 during any period of time when:

13.6 (1) federal financial participation is unavailable or disallowed, or if the approved
13.7 aggregate federal financial participation for the directed payment under section 256B.1974
13.8 is less than 51 percent; or

13.9 (2) a directed payment under section 256B.1974 is not approved by the Centers for
13.10 Medicare and Medicaid Services.

13.11 (n) The commissioner must make the following discounts from the inpatient portion of
13.12 the assessment under paragraph (b), clause (1), in the stated amount or as necessary to
13.13 achieve federal approval of the assessment in this section:

13.14 (1) Hennepin Healthcare, with a discount of 25 percent;

13.15 (2) Mayo Rochester, with a discount of ten percent;

13.16 (3) Gillette Children's Hospital, with a discount of 90 percent;

13.17 (4) each hospital not included in another discount category, and with greater than
13.18 \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service
13.19 and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service
13.20 and managed care claims data, with a discount of five percent; and

13.21 (5) any hospital responsible for greater than 12 percent of the total assessment annually
13.22 collected statewide, with a discount in the amount necessary such that the hospital is
13.23 responsible for 12 percent of the total assessment annually collected statewide.

13.24 (o) The commissioner must make the following discounts from the outpatient portion
13.25 of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to
13.26 achieve federal approval of the assessment in this section:

13.27 (1) each critical access hospital or independent hospital located outside a city of the first
13.28 class and paid under the Medicare prospective payment system, with a discount of 40 percent;

13.29 (2) Gillette Children's Hospital, with a discount of 90 percent;

13.30 (3) Hennepin Healthcare, with a discount of 60 percent;

13.31 (4) Mayo Rochester, with a discount of 20 percent; and

14.1 (5) each hospital not included in another discount category, and with greater than
14.2 \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service
14.3 and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service
14.4 and managed care claims data, with a discount of ten percent.

14.5 (p) If the federal share of the hospital directed payment program under section 256B.1974
14.6 is increased as the result of an increase to the federal medical assistance percentage, the
14.7 commissioner must reduce the assessment on a uniform percentage basis across eligible
14.8 hospitals on which the assessment is imposed, such that the aggregate amount collected
14.9 from hospitals under this subdivision does not exceed the total amount needed to maintain
14.10 the same aggregate state and federal funding level for the directed payments authorized by
14.11 section 256B.1974.

14.12 (q) Eligible hospitals must submit to the commissioner on an annual basis, in the form
14.13 and manner specified by the commissioner in consultation with the Minnesota Hospital
14.14 Association, all documentation necessary to determine the assessment amounts under this
14.15 subdivision.

14.16 **EFFECTIVE DATE.** This section is effective upon the date that Laws 2025, First
14.17 Special Session chapter 3, article 8, section 4, becomes effective.

14.18 Sec. 21. Minnesota Statutes 2025 Supplement, section 256.969, subdivision 2f, is amended
14.19 to read:

14.20 Subd. 2f. **Alternate inpatient payment rate.** (a) Effective January 1, 2022, for a hospital
14.21 eligible to receive disproportionate share hospital payments under subdivision 9, paragraph
14.22 (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9,
14.23 paragraph (d), clause (6), by ~~99~~ one percent and compute an alternate inpatient payment
14.24 rate. The alternate payment rate shall be structured to target a total aggregate reimbursement
14.25 amount equal to what the hospital would have received for providing fee-for-service inpatient
14.26 services under this section to patients enrolled in medical assistance had the hospital received
14.27 the entire amount calculated under subdivision 9, paragraph (d), clause (6). This paragraph
14.28 expires when paragraph (b) becomes effective.

14.29 (b) For hospitals eligible to receive payment under section 256B.1973 or 256B.1974
14.30 and meeting the criteria in subdivision 9, paragraph (d), the commissioner ~~must~~ may reduce
14.31 the amount calculated under subdivision 9, paragraph (d), by one percent and compute an
14.32 alternate inpatient payment rate. The alternate payment rate must be structured to target a
14.33 total aggregate reimbursement amount equal to the amount that the hospital would have
14.34 received for providing fee-for-service inpatient services under this section to patients enrolled

15.1 in medical assistance had the hospital received 99 percent of the entire amount calculated
15.2 under subdivision 9, paragraph (d). Hospitals that do not meet federal requirements for
15.3 Medicaid disproportionate share hospitals are not eligible for the alternate payment rate.

15.4 **EFFECTIVE DATE.** This section is effective upon the date that Laws 2025, First
15.5 Special Session chapter 3, article 8, section 5, becomes effective.

15.6 Sec. 22. Minnesota Statutes 2024, section 256B.04, subdivision 27, is amended to read:

15.7 Subd. 27. **Disenrollment under medical assistance and MinnesotaCare.** (a) The
15.8 commissioner shall regularly obtain and use information from reliable data sources, including
15.9 but not limited to managed care and county-based purchasing plans, state health and human
15.10 services programs, mail returned by the United States Postal Service with a forwarding
15.11 address, and the National Change of Address database maintained by the United States
15.12 Postal Service, to update mailing addresses and other contact information for medical
15.13 assistance and MinnesotaCare enrollees ~~in cases of returned mail and nonresponse using~~
15.14 ~~information available through managed care and county-based purchasing plans, state health~~
15.15 ~~and human services programs, and other sources.~~

15.16 (b) The commissioner shall not disenroll an individual from medical assistance or
15.17 MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts
15.18 by phone, email, or other methods to contact the individual. The commissioner may disenroll
15.19 the individual after providing no less than 30 days for the individual to respond to the most
15.20 recent contact attempt.

15.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

15.22 Sec. 23. Minnesota Statutes 2024, section 256B.056, subdivision 1, is amended to read:

15.23 Subdivision 1. **Residency.** (a) To be eligible for medical assistance, a person must reside
15.24 in Minnesota, or, if absent from the state, be deemed to be a resident of Minnesota, in
15.25 accordance with Code of Federal Regulations, title 42, section 435.403. A child who is
15.26 placed in Minnesota in a family foster home, as defined in section 260C.007, subdivision
15.27 16b, by another state is a Minnesota resident, in accordance with Minnesota's interstate
15.28 agreements and Code of Federal Regulations, title 42, section 435.403(k).

15.29 (b) The commissioner shall identify individuals who are enrolled in medical assistance
15.30 and who are absent from the state for more than 30 consecutive days, but who continue to
15.31 qualify for medical assistance in accordance with paragraph (a).

16.1 (c) If the individual is absent from the state for more than 30 consecutive days but still
16.2 deemed a resident of Minnesota in accordance with paragraph (a), any covered service
16.3 provided to the individual must be paid through the fee-for-service system and not through
16.4 the managed care capitated rate payment system under section 256B.69 or 256L.12.

16.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

16.6 Sec. 24. Minnesota Statutes 2024, section 256B.056, subdivision 2a, is amended to read:

16.7 Subd. 2a. **Home equity limit for medical assistance payment of long-term care**
16.8 **services.** (a) Effective for requests of medical assistance payment of long-term care services
16.9 filed on or after July 1, 2006, and for renewals on or after July 1, 2006, for persons who
16.10 received payment of long-term care services under a request filed on or after January 1,
16.11 2006, the equity interest in the home of a person whose eligibility for long-term care services
16.12 is determined on or after January 1, 2006, shall not exceed \$500,000, unless it is the lawful
16.13 residence of the person's spouse or child who is under age 21, or a child of any age who is
16.14 blind or permanently and totally disabled as defined in the Supplemental Security Income
16.15 program. The amount specified in this paragraph shall be increased beginning in year 2011,
16.16 from year to year based on the percentage increase in the Consumer Price Index for all urban
16.17 consumers (all items; United States city average), rounded to the nearest \$1,000.

16.18 (b) Effective January 1, 2028, the amount specified in paragraph (a) must not exceed
16.19 \$1,000,000.

16.20 ~~(b)~~ (c) For purposes of this subdivision, a "home" means any real or personal property
16.21 interest, including an interest in an agricultural homestead as defined under section 273.124,
16.22 subdivision 1, that, at the time of the request for medical assistance payment of long-term
16.23 care services, is the primary dwelling of the person or was the primary dwelling of the
16.24 person before receipt of long-term care services began outside of the home.

16.25 ~~(c)~~ (d) A person denied or terminated from medical assistance payment of long-term
16.26 care services because the person's home equity exceeds the home equity limit may seek a
16.27 waiver based upon a hardship by filing a written request with the county agency. Hardship
16.28 is an imminent threat to the person's health and well-being that is demonstrated by
16.29 documentation of no alternatives for payment of long-term care services. The county agency
16.30 shall make a decision regarding the written request to waive the home equity limit within
16.31 30 days if all necessary information has been provided. The county agency shall send the
16.32 person and the person's representative a written notice of decision on the request for a
16.33 demonstrated hardship waiver that also advises the person of appeal rights under the fair
16.34 hearing process of section 256.045.

17.1 Sec. 25. Minnesota Statutes 2024, section 256B.056, subdivision 3d, is amended to read:

17.2 Subd. 3d. **Reduction of excess assets.** Assets in excess of the limits in subdivisions 3
17.3 to 3c may be reduced to allowable limits as follows:

17.4 (a) Assets may be reduced in ~~any~~ either of the ~~three~~ two calendar months before the
17.5 month of application in which the applicant seeks coverage according to section 256B.061
17.6 by paying bills for health services that are incurred in the retroactive period for which the
17.7 applicant seeks eligibility, starting with the oldest bill. After assets are reduced to allowable
17.8 limits, eligibility begins with the next dollar of MA-covered health services incurred in the
17.9 retroactive period. Applicants reducing assets under this subdivision who also have excess
17.10 income shall first spend excess assets to pay health service bills and may meet the income
17.11 spenddown on remaining bills.

17.12 (b) Assets may be reduced beginning the month of application by paying bills for health
17.13 services that are incurred during the period specified in Minnesota Rules, part 9505.0090,
17.14 subpart 2, that would otherwise be paid by medical assistance. After assets are reduced to
17.15 allowable limits, eligibility begins with the next dollar of medical assistance covered health
17.16 services incurred in the period. Applicants reducing assets under this subdivision who also
17.17 have excess income shall first spend excess assets to pay health service bills and may meet
17.18 the income spenddown on remaining bills.

17.19 **EFFECTIVE DATE.** This section is effective January 1, 2027.

17.20 Sec. 26. Minnesota Statutes 2024, section 256B.056, subdivision 7, is amended to read:

17.21 Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application
17.22 and for ~~three~~ either one or two months prior to application if the person was eligible in those
17.23 prior months in accordance with section 256B.061. ~~A redetermination of eligibility must~~
17.24 ~~occur every 12 months.~~

17.25 (b) Notwithstanding any other law to the contrary:

17.26 (1) a child under 19 years of age who is determined eligible for medical assistance must
17.27 remain eligible for a period of 12 months;

17.28 (2) a child 19 years of age and older but under 21 years of age who is determined eligible
17.29 for medical assistance must remain eligible for a period of 12 months; and

17.30 (3) a child under six years of age who is determined eligible for medical assistance must
17.31 remain eligible through the month in which the child reaches six years of age.

17.32 (c) A child's eligibility under paragraph (b) may be terminated earlier if:

18.1 (1) the child or the child's representative requests voluntary termination of eligibility;

18.2 (2) the child ceases to be a resident of this state;

18.3 (3) the child dies;

18.4 (4) the child attains the maximum age; or

18.5 (5) the agency determines eligibility was erroneously granted at the most recent eligibility
18.6 determination due to agency error or fraud, abuse, or perjury attributed to the child or the
18.7 child's representative.

18.8 (d) For a person eligible for an insurance affordability program as defined in section
18.9 256B.02, subdivision 19, who reports a change that makes the person eligible for medical
18.10 assistance other than under section 256B.055, subdivision 15, eligibility is available for the
18.11 month the change was reported and for ~~three~~ two months prior to the month the change was
18.12 reported, if the person was eligible in those prior months. If the change makes the person
18.13 eligible for medical assistance under section 256B.055, subdivision 15, eligibility is available
18.14 for the month the change was reported and for one month prior to the month the change
18.15 was reported if the person was eligible in that prior month.

18.16 (e) The period of eligibility for a person eligible for medical assistance under section
18.17 256B.055, subdivision 15, is six months. The period of eligibility for all other medical
18.18 assistance enrollees is 12 months.

18.19 **EFFECTIVE DATE.** This section is effective January 1, 2027.

18.20 Sec. 27. Minnesota Statutes 2024, section 256B.056, subdivision 7a, is amended to read:

18.21 Subd. 7a. **Periodic renewal of eligibility.** (a) Except as provided in paragraphs (d) and
18.22 (e), the commissioner shall make an annual redetermination of eligibility based on
18.23 information contained in the enrollee's case file and other information available to the
18.24 agency, including but not limited to information accessed through an electronic database,
18.25 without requiring the enrollee to submit any information when sufficient data is available
18.26 for the agency to renew eligibility.

18.27 (b) If the commissioner cannot renew eligibility in accordance with paragraph (a), the
18.28 commissioner must provide the enrollee with a prepopulated renewal form containing
18.29 eligibility information available to the agency and permit the enrollee to submit the form
18.30 with any corrections or additional information to the agency and sign the renewal form via
18.31 any of the modes of submission specified in section 256B.04, subdivision 18.

19.1 (c) An enrollee who is terminated for failure to complete the renewal process may
19.2 subsequently submit the renewal form and required information within four months after
19.3 the date of termination and have coverage reinstated without a lapse, if otherwise eligible
19.4 under this chapter. The local agency may close the enrollee's case file if the required
19.5 information is not submitted within four months of termination.

19.6 (d) Notwithstanding paragraph (a), a person who is eligible under subdivision 5 ~~shall~~
19.7 be is subject to a review of the person's income every six months.

19.8 (e) Notwithstanding paragraph (a), a person who is eligible under section 256B.055,
19.9 subdivision 15, and who is not an American Indian or Alaska Native is subject to a
19.10 redetermination of eligibility every six months.

19.11 **EFFECTIVE DATE.** This section is effective January 1, 2027.

19.12 Sec. 28. Minnesota Statutes 2024, section 256B.0561, subdivision 2, is amended to read:

19.13 Subd. 2. **Periodic data matching.** (a) The commissioner shall conduct periodic data
19.14 matching to identify recipients who, based on available electronic data, may not meet
19.15 eligibility criteria for the public health care program in which the recipient is enrolled. The
19.16 commissioner shall conduct data matching for medical assistance or MinnesotaCare recipients
19.17 at least once during a recipient's 12-month period of eligibility, except as provided in
19.18 paragraph (f).

19.19 (b) If data matching indicates a recipient may no longer qualify for medical assistance
19.20 or MinnesotaCare, the commissioner must notify the recipient and allow the recipient no
19.21 more than 30 days to confirm the information obtained through the periodic data matching
19.22 or provide a reasonable explanation for the discrepancy to the state or county agency directly
19.23 responsible for the recipient's case. If a recipient does not respond within the advance notice
19.24 period or does not respond with information that demonstrates eligibility or provides a
19.25 reasonable explanation for the discrepancy within the 30-day time period, the commissioner
19.26 shall terminate the recipient's eligibility in the manner provided for by the laws and
19.27 regulations governing the health care program for which the recipient has been identified
19.28 as being ineligible.

19.29 (c) The commissioner shall not terminate eligibility for a recipient who is cooperating
19.30 with the requirements of paragraph (b) and needs additional time to provide information in
19.31 response to the notification.

20.1 (d) A recipient whose eligibility was terminated according to paragraph (b) may be
20.2 eligible for medical assistance no earlier than the first day of the month in which the recipient
20.3 provides information that demonstrates the recipient's eligibility.

20.4 (e) Any termination of eligibility for benefits under this section may be appealed as
20.5 provided for in sections 256.045 to 256.0451, and the laws governing the health care
20.6 programs for which eligibility is terminated.

20.7 (f) Effective January 1, 2027, a person receiving medical assistance under section
20.8 256B.055, subdivision 15, who is subject to a redetermination of eligibility every six months
20.9 under section 256B.056, subdivision 7a, paragraph (e), is exempt from periodic data matching
20.10 under this subdivision.

20.11 **EFFECTIVE DATE.** This section is effective January 1, 2027.

20.12 Sec. 29. **[256B.0562] WORK OR COMMUNITY ENGAGEMENT REQUIREMENTS.**

20.13 **Subdivision 1. Medical assistance eligibility requirement.** (a) To be eligible for medical
20.14 assistance under section 256B.055, subdivision 15, a person must either demonstrate work
20.15 or community engagement or meet an exemption in accordance with section 71119 of the
20.16 One Big Beautiful Bill Act, Public Law 119-21.

20.17 (b) An applicant must meet the requirements of this section for the month immediately
20.18 preceding the month during which the person submits an application for medical assistance.

20.19 (c) To renew eligibility pursuant to section 256B.056, subdivision 7a, a person enrolled
20.20 and receiving medical assistance must meet the requirements of this section for at least one
20.21 month during the person's six-month period of eligibility.

20.22 **Subd. 2. Compliance and exemptions.** (a) A person demonstrates work or community
20.23 engagement under this section for a given month if the person meets at least one of the
20.24 following conditions with respect to that month:

20.25 (1) the person works at least 80 hours;

20.26 (2) the person completes at least 80 hours of community service;

20.27 (3) the person participates in a work program for at least 80 hours;

20.28 (4) the person is enrolled in an educational program at least half time;

20.29 (5) the person engages in any combination of the activities in clauses (1) to (4) for a
20.30 total of at least 80 hours;

21.1 (6) the person has a monthly income that is not less than the applicable minimum wage
 21.2 requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80
 21.3 hours; or

21.4 (7) the person has an average monthly income during the preceding six months that is
 21.5 equal to or greater than the applicable minimum wage requirement under section 6 of the
 21.6 Fair Labor Standards Act of 1938, multiplied by 80 hours and is a seasonal worker, as
 21.7 defined in section 45R(d)(5)(B) of the Internal Revenue Code of 1986.

21.8 (b) A person is exempt from the requirement to demonstrate work or community
 21.9 engagement if the person:

21.10 (1) is an American Indian or Alaska Native;

21.11 (2) is a family caregiver, as defined in section 2 of the RAISE Family Caregivers Act,
 21.12 of a disabled individual;

21.13 (3) is a veteran with a disability rated as total under United States Code, title 38, section
 21.14 1155;

21.15 (4) is medically frail or has special medical needs, including a person who:

21.16 (i) is blind or disabled, as defined in section 1614 of the Social Security Act;

21.17 (ii) has a substance use disorder;

21.18 (iii) has a disabling mental disorder;

21.19 (iv) has a physical, intellectual, or developmental disability that significantly impairs
 21.20 the person's ability to perform daily living routines; or

21.21 (v) has a serious or complex medical condition;

21.22 (5) meets the work requirements imposed by the Minnesota family investment program;

21.23 (6) is a member of a household that receives Supplemental Nutrition Assistance Program
 21.24 benefits and is not exempt from the requirements of section 142F.10;

21.25 (7) is participating in a drug addiction or alcoholic treatment and rehabilitation program;

21.26 or

21.27 (8) is incarcerated.

21.28 (c) A person is exempt from the requirement to demonstrate work or community
 21.29 engagement for a given month if for part or all of that month the person is:

21.30 (1) described in paragraph (b);

22.1 (2) under 21 years of age;

22.2 (3) entitled to or enrolled in benefits under Medicare Part A or enrolled in benefits under
22.3 Medicare Part B;

22.4 (4) enrolled in medical assistance under an eligibility category other than section
22.5 256B.055, subdivision 15; or

22.6 (5) incarcerated at any point during the three-month period ending on the first day of
22.7 the given month.

22.8 Subd. 3. **Short-term hardship events.** (a) The commissioner shall seek any approvals
22.9 necessary from the federal Secretary of Health and Human Services to implement the
22.10 short-term hardship exemptions described in this subdivision.

22.11 (b) A person is exempt from the requirement to demonstrate work or community
22.12 engagement for a given month if the person experiences a short-term hardship event for
22.13 part or all of that month.

22.14 (c) For purposes of this section, "short-term hardship event" means an event in which a
22.15 person:

22.16 (1) receives inpatient hospital or nursing facility services, services in an intermediate
22.17 care facility for individuals with intellectual disabilities, inpatient psychiatric hospital
22.18 services, or other services of similar acuity;

22.19 (2) resides in a county in which there is an emergency or disaster declared by the President
22.20 of the United States pursuant to the National Emergencies Act or the Robert T. Stafford
22.21 Disaster Relief and Emergency Assistance Act;

22.22 (3) resides in a county that has an unemployment rate at or above the lesser of eight
22.23 percent or 1.5 times the national unemployment rate; or

22.24 (4) must travel outside of the person's community for an extended period of time to
22.25 receive medical services that are not available within the community of residence necessary
22.26 to treat a serious or complex medical condition of the person or the person's dependent.

22.27 (d) A person must request the short-term hardship event exceptions described in paragraph
22.28 (c), clauses (1) and (4), to be granted the exception.

22.29 Subd. 4. **Noncompliance procedure.** (a) Before denying or terminating medical
22.30 assistance eligibility for failure to demonstrate work or community engagement or meet an
22.31 exemption, the commissioner must provide an applicant or enrollee:

22.32 (1) a notice of noncompliance; and

23.1 (2) a period of 30 calendar days to provide evidence of compliance or exemption from
 23.2 the requirement.

23.3 (b) The commissioner must continue to provide medical assistance to an enrollee during
 23.4 the 30-day period under paragraph (a), clause (2). If the person does not provide evidence
 23.5 of compliance or exemption from the requirement within the 30-day period, the commissioner
 23.6 must deny the application or terminate eligibility by the end of the month following the
 23.7 month in which the 30-day period ends.

23.8 (c) Before denial or termination of eligibility, the commissioner must:

23.9 (1) provide the person with advance notice in accordance with Code of Federal
 23.10 Regulations, title 42, section 431.211; and

23.11 (2) determine whether the person may qualify for medical assistance under any other
 23.12 eligibility category.

23.13 Subd. 5. **Expedited rulemaking authority.** The commissioner may adopt rules necessary
 23.14 to implement and administer this section using the expedited rulemaking process under
 23.15 section 14.389. The 18-month time limit under section 14.125 does not apply to the
 23.16 rulemaking authority under this section.

23.17 **EFFECTIVE DATE.** This section is effective January 1, 2027.

23.18 Sec. 30. Minnesota Statutes 2024, section 256B.06, subdivision 4, is amended to read:

23.19 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to
 23.20 citizens of the United States, qualified noncitizens as defined in this subdivision, and other
 23.21 persons residing lawfully in the United States. Citizens or nationals of the United States
 23.22 must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality
 23.23 according to the requirements of the federal Deficit Reduction Act of 2005, Public Law
 23.24 109-171.

23.25 (b) "Qualified noncitizen" means a person who meets one of the following immigration
 23.26 criteria:

23.27 (1) admitted for lawful permanent residence according to United States Code, title 8;

23.28 (2) admitted to the United States as a refugee according to United States Code, title 8,
 23.29 section 1157;

23.30 (3) granted asylum according to United States Code, title 8, section 1158;

24.1 (4) granted withholding of deportation according to United States Code, title 8, section
24.2 1253(h);

24.3 (5) paroled for a period of at least one year according to United States Code, title 8,
24.4 section 1182(d)(5);

24.5 (6) granted conditional entrant status according to United States Code, title 8, section
24.6 1153(a)(7);

24.7 (7) determined to be a battered noncitizen by the United States Attorney General
24.8 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,
24.9 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

24.10 (8) is a child of a noncitizen determined to be a battered noncitizen by the United States
24.11 Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility
24.12 Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;
24.13 or

24.14 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public
24.15 Law 96-422, the Refugee Education Assistance Act of 1980.

24.16 (c) All qualified noncitizens who were residing in the United States before August 22,
24.17 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical
24.18 assistance with federal financial participation.

24.19 (d) Beginning December 1, 1996, qualified noncitizens who entered the United States
24.20 on or after August 22, 1996, and who otherwise meet the eligibility requirements of this
24.21 chapter are eligible for medical assistance with federal participation for five years if they
24.22 meet one of the following criteria:

24.23 (1) refugees admitted to the United States according to United States Code, title 8, section
24.24 1157;

24.25 (2) persons granted asylum according to United States Code, title 8, section 1158;

24.26 (3) persons granted withholding of deportation according to United States Code, title 8,
24.27 section 1253(h);

24.28 (4) veterans of the United States armed forces with an honorable discharge for a reason
24.29 other than noncitizen status, their spouses and unmarried minor dependent children; or

24.30 (5) persons on active duty in the United States armed forces, other than for training,
24.31 their spouses and unmarried minor dependent children.

25.1 Beginning July 1, 2010, children and pregnant women who are noncitizens described
25.2 in paragraph (b) or who are lawfully present in the United States as defined in Code of
25.3 Federal Regulations, title 8, section 103.12, and who otherwise meet eligibility requirements
25.4 of this chapter, are eligible for medical assistance with federal financial participation as
25.5 provided by the federal Children's Health Insurance Program Reauthorization Act of 2009,
25.6 Public Law 111-3.

25.7 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are
25.8 eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this subdivision,
25.9 a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8,
25.10 section 1101(a)(15).

25.11 (f) Payment shall also be made for care and services that are furnished to noncitizens,
25.12 regardless of immigration status, who otherwise meet the eligibility requirements of this
25.13 chapter, if such care and services are necessary for the treatment of an emergency medical
25.14 condition.

25.15 (g) For purposes of this subdivision, the term "emergency medical condition" means a
25.16 medical condition that meets the requirements of United States Code, title 42, section
25.17 1396b(v).

25.18 (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment of
25.19 an emergency medical condition are limited to the following:

25.20 (i) services delivered in an emergency room or by an ambulance service licensed under
25.21 chapter 144E that are directly related to the treatment of an emergency medical condition;

25.22 (ii) services delivered in an inpatient hospital setting following admission from an
25.23 emergency room or clinic for an acute emergency condition; and

25.24 (iii) follow-up services that are directly related to the original service provided to treat
25.25 the emergency medical condition and are covered by the global payment made to the
25.26 provider.

25.27 (2) Services for the treatment of emergency medical conditions do not include:

25.28 (i) services delivered in an emergency room or inpatient setting to treat a nonemergency
25.29 condition;

25.30 (ii) organ transplants, stem cell transplants, and related care;

25.31 (iii) services for routine prenatal care;

- 26.1 (iv) continuing care, including long-term care, nursing facility services, home health
26.2 care, adult day care, day training, or supportive living services;
- 26.3 (v) elective surgery;
- 26.4 (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part
26.5 of an emergency room visit;
- 26.6 (vii) preventative health care and family planning services;
- 26.7 (viii) rehabilitation services;
- 26.8 (ix) physical, occupational, or speech therapy;
- 26.9 (x) transportation services;
- 26.10 (xi) case management;
- 26.11 (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;
- 26.12 (xiii) dental services;
- 26.13 (xiv) hospice care;
- 26.14 (xv) audiology services and hearing aids;
- 26.15 (xvi) podiatry services;
- 26.16 (xvii) chiropractic services;
- 26.17 (xviii) immunizations;
- 26.18 (xix) vision services and eyeglasses;
- 26.19 (xx) waiver services;
- 26.20 (xxi) individualized education programs; or
- 26.21 (xxii) substance use disorder treatment.
- 26.22 (i) Pregnant noncitizens who are ineligible for federally funded medical assistance
26.23 because of immigration status, are not covered by a group health plan or health insurance
26.24 coverage according to Code of Federal Regulations, title 42, section 457.310, and who
26.25 otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance
26.26 through the period of pregnancy, including labor and delivery, and 12 months postpartum.
- 26.27 (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services
26.28 from a nonprofit center established to serve victims of torture and are otherwise ineligible
26.29 for medical assistance under this chapter are eligible for medical assistance without federal

27.1 financial participation. These individuals are eligible only for the period during which they
27.2 are receiving services from the center. Individuals eligible under this paragraph shall not
27.3 be required to participate in prepaid medical assistance. The nonprofit center referenced
27.4 under this paragraph may establish itself as a provider of mental health targeted case
27.5 management services through a county contract under section 256.0112, subdivision 6. If
27.6 the nonprofit center is unable to secure a contract with a lead county in its service area, then,
27.7 notwithstanding the requirements of section 256B.0625, subdivision 20, the commissioner
27.8 may negotiate a contract with the nonprofit center for provision of mental health targeted
27.9 case management services. When serving clients who are not the financial responsibility
27.10 of their contracted lead county, the nonprofit center must gain the concurrence of the county
27.11 of financial responsibility prior to providing mental health targeted case management services
27.12 for those clients.

27.13 (k) Notwithstanding paragraph (h), clause (2), the following services are covered as
27.14 emergency medical conditions under paragraph (f) except where coverage is prohibited
27.15 under federal law for services under clauses (1) and (2):

27.16 (1) dialysis services provided in a hospital or freestanding dialysis facility;

27.17 (2) surgery and the administration of chemotherapy, radiation, and related services
27.18 necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and
27.19 requires surgery, chemotherapy, or radiation treatment; and

27.20 (3) kidney transplant if the person has been diagnosed with end stage renal disease, is
27.21 currently receiving dialysis services, and is a potential candidate for a kidney transplant.

27.22 (l) Effective July 1, 2013, recipients of emergency medical assistance under this
27.23 subdivision are eligible for coverage of the elderly waiver services provided under chapter
27.24 256S, and coverage of rehabilitative services provided in a nursing facility. The age limit
27.25 for elderly waiver services does not apply. In order to qualify for coverage, a recipient of
27.26 emergency medical assistance is subject to the assessment and reassessment requirements
27.27 of section 256B.0911. Initial and continued enrollment under this paragraph is subject to
27.28 the limits of available funding.

27.29 (m) Notwithstanding paragraph (i), medical assistance is only available to noncitizens
27.30 who are eligible for coverage with federal financial participation provided by Medicaid or
27.31 the Children's Health Insurance Program.

28.1 Sec. 31. Minnesota Statutes 2024, section 256B.061, is amended to read:

28.2 **256B.061 ELIGIBILITY; RETROACTIVE EFFECT; RESTRICTIONS.**

28.3 (a) If an individual is determined to be eligible for medical assistance under section
 28.4 256B.055, subdivision 15, medical assistance is available for care and services included
 28.5 under the plan and furnished in or after the month before the month in which the individual
 28.6 made application for the assistance if the individual was, or upon application would have
 28.7 been, eligible for medical assistance at the time the care and services were furnished.

28.8 (b) If ~~any~~ an individual has been determined to be eligible for medical assistance other
 28.9 than under section 256B.055, subdivision 15, ~~it will be made~~ medical assistance is available
 28.10 for care and services included under the plan and furnished in or after the ~~third~~ second month
 28.11 before the month in which the individual made application for ~~such~~ the assistance, if ~~such~~
 28.12 the individual was, or upon application would have been, eligible for medical assistance at
 28.13 the time the care and services were furnished.

28.14 (c) The commissioner may limit, restrict, or suspend the eligibility of an individual for
 28.15 up to one year upon that individual's conviction of a criminal offense related to application
 28.16 for or receipt of medical assistance benefits.

28.17 **EFFECTIVE DATE.** This section is effective January 1, 2027.

28.18 Sec. 32. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 20, is
 28.19 amended to read:

28.20 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the
 28.21 state agency, medical assistance covers case management services to persons with serious
 28.22 and persistent mental illness and children with serious mental illness. Services provided
 28.23 under this section must meet the relevant standards in sections 245.461 to 245.4887, the
 28.24 Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900
 28.25 to 9520.0926, and 9505.0322, excluding subpart 10.

28.26 (b) Entities meeting program standards set out in rules governing family community
 28.27 support services as defined in section 245.4871, subdivision 17, are eligible for medical
 28.28 assistance reimbursement for case management services for children with serious mental
 28.29 illness when these services meet the program standards in Minnesota Rules, parts 9520.0900
 28.30 to 9520.0926, and 9505.0322, ~~excluding subparts 6 and 10~~ subpart 9.

28.31 (c) Medical assistance and MinnesotaCare payment for mental health case management
 28.32 ~~shall~~ must be made on a monthly basis in accordance with section 256B.076, subdivisions
 28.33 1, 2, 5, and 7. In order to receive payment for an eligible child, the provider must document

29.1 ~~at least a face-to-face contact either in person or by interactive video that meets the~~
29.2 ~~requirements of subdivision 20b with the child, the child's parents, or the child's legal~~
29.3 ~~representative. To receive payment for an eligible adult, the provider must document:~~

29.4 ~~(1) at least a face-to-face contact with the adult or the adult's legal representative either~~
29.5 ~~in person or by interactive video that meets the requirements of subdivision 20b; or~~

29.6 ~~(2) at least a telephone contact with the adult or the adult's legal representative and~~
29.7 ~~document a face-to-face contact either in person or by interactive video that meets the~~
29.8 ~~requirements of subdivision 20b with the adult or the adult's legal representative within the~~
29.9 ~~preceding two months.~~

29.10 (d) Payment for mental health case management provided by county or state staff shall
29.11 must be based on the ~~monthly~~ rate methodology under section ~~256B.094, subdivision 6,~~
29.12 ~~paragraph (b), with separate rates calculated for child welfare and mental health, and within~~
29.13 ~~mental health, separate rates for children and adults~~ 256B.076, subdivisions 5 and 7.

29.14 (e) Payment for mental health case management provided by Indian health services or
29.15 by agencies operated by Indian tribes may be made according to this section or other relevant
29.16 federally approved rate setting methodology.

29.17 (f) Payment for mental health case management provided by vendors who contract with
29.18 a county must be calculated in accordance with section 256B.076, subdivision 2. Payment
29.19 for mental health case management provided by vendors who contract with a Tribe must
29.20 be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged
29.21 by the vendor for the same service to other payers. If the service is provided by a team of
29.22 contracted vendors, the team shall determine how to distribute the rate among its members.
29.23 No reimbursement received by contracted vendors shall be returned to the county or tribe,
29.24 except to reimburse the county or tribe for advance funding provided by the county or tribe
29.25 to the vendor.

29.26 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
29.27 and county or state staff, the costs for county or state staff participation in the team shall be
29.28 included in the rate for county-provided services. In this case, the contracted vendor, the
29.29 tribal agency, and the county may each receive separate payment for services provided by
29.30 each entity in the same month. In order to prevent duplication of services, each entity must
29.31 document, in the recipient's file, the need for team case management and a description of
29.32 the roles of the team members.

29.33 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
29.34 mental health case management shall be provided by the recipient's county of responsibility,

30.1 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
30.2 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
30.3 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
30.4 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
30.5 the recipient's county of responsibility.

30.6 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
30.7 and MinnesotaCare include mental health case management. When the service is provided
30.8 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
30.9 share.

30.10 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
30.11 that does not meet the ~~reporting or other~~ requirements of this section or sections 245.4711,
30.12 245.4881, 256B.0924, 256B.094, and 256F.10. The county of responsibility, as defined in
30.13 sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any
30.14 federal disallowances. The county or tribe may share this responsibility with its contracted
30.15 vendors.

30.16 (k) The commissioner shall set aside a portion of the federal funds earned for county
30.17 expenditures under this section to repay the special revenue maximization account under
30.18 section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

30.19 (1) the costs of developing and implementing this section; and

30.20 (2) programming the information systems.

30.21 (l) Payments to counties and tribal agencies for case management expenditures under
30.22 this section shall only be made from federal earnings from services provided under this
30.23 section. When this service is paid by the state without a federal share through fee-for-service,
30.24 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
30.25 shall include the federal earnings, the state share, and the county share.

30.26 (m) Case management services under this subdivision do not include therapy, treatment,
30.27 legal, or outreach services.

30.28 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
30.29 and the recipient's institutional care is paid by medical assistance, payment for case
30.30 management services under this subdivision is limited to the lesser of:

30.31 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
30.32 than six months in a calendar year; or

30.33 (2) the limits and conditions which apply to federal Medicaid funding for this service.

31.1 (o) Payment for case management services under this subdivision shall not duplicate
31.2 payments made under other program authorities for the same purpose.

31.3 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
31.4 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
31.5 mental health targeted case management services must actively support identification of
31.6 community alternatives for the recipient and discharge planning.

31.7 (q) Counties may receive payment for up to 12 15-minute units for use at case initiation
31.8 and case closing to facilitate the case management client's needs assessments, individualized
31.9 plan development, referrals, or case documentation without needing to meet the contact
31.10 requirements specified in sections 245.4711, 245.4881, 256B.0924, 256B.094, and 256F.10.

31.11 Sec. 33. Minnesota Statutes 2024, section 256B.0631, subdivision 1a, is amended to read:

31.12 Subd. 1a. **Prohibition on cost-sharing and deductibles.** ~~Effective January 1, 2024~~
31.13 Except for recipients eligible under section 256B.055, subdivision 15, the medical assistance
31.14 benefit plan must not include cost-sharing or deductibles for any medical assistance recipient
31.15 or benefit.

31.16 Sec. 34. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision
31.17 to read:

31.18 Subd. 5. Cost sharing. (a) Effective on or after October 1, 2028, except as provided in
31.19 subdivision 6, the medical assistance benefit plan includes the following cost sharing for
31.20 recipients eligible under section 256B.055, subdivision 15, with income above 100 percent
31.21 of the federal poverty level:

31.22 (1) \$3 per nonpreventive visit, except as provided in paragraph (c). For purposes of this
31.23 subdivision, a visit means an episode of service that is required because of a recipient's
31.24 symptoms, diagnosis, or established illness, and that is delivered in an ambulatory setting
31.25 by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
31.26 practice nurse, audiologist, optician, or optometrist;

31.27 (2) \$3.50 for nonemergency visits to a hospital-based emergency room; and

31.28 (3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per
31.29 prescription for a brand-name multisource drug listed in preferred status on the preferred
31.30 drug list, subject to a \$12 maximum per month for prescription drug co-payments. No
31.31 co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

32.1 (b) Cost sharing for prescription drugs and related medical supplies to treat chronic
 32.2 disease must comply with the requirements of section 62Q.481.

32.3 (c) A person eligible for medical assistance under section 256B.055, subdivision 15, is
 32.4 responsible for all co-payments and deductibles in this subdivision.

32.5 **EFFECTIVE DATE.** This section is effective January 1, 2027.

32.6 Sec. 35. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision
 32.7 to read:

32.8 Subd. 6. **Exceptions.** Co-payments and deductibles are subject to the exceptions and
 32.9 limits required by section 71120 of the One Big Beautiful Bill Act, Public Law 119-21.

32.10 **EFFECTIVE DATE.** This section is effective January 1, 2027.

32.11 Sec. 36. Minnesota Statutes 2024, section 256B.0631, is amended by adding a subdivision
 32.12 to read:

32.13 Subd. 7. **Collection.** (a) The medical assistance reimbursement to the provider must be
 32.14 reduced by the amount of the co-payment or deductible, except that reimbursements must
 32.15 not be reduced:

32.16 (1) once a recipient has reached the \$12 maximum per month for prescription drug
 32.17 co-payments; or

32.18 (2) for a recipient who has met the recipient's monthly five percent cost-sharing limit.

32.19 (b) The provider collects the co-payment or deductible from the recipient. Providers
 32.20 must not deny services to recipients who are unable to pay the co-payment or deductible.

32.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

32.22 Sec. 37. Minnesota Statutes 2024, section 256B.076, subdivision 1, is amended to read:

32.23 Subdivision 1. **Generally.** (a) It is the policy of this state to ensure that individuals on
 32.24 medical assistance receive cost-effective and coordinated care, including efforts to address
 32.25 the profound effects of housing instability, food insecurity, and other social determinants
 32.26 of health. Therefore, subject to federal approval, medical assistance covers targeted case
 32.27 management services as described in this section and sections 245.4711, 245.4881,
 32.28 256B.0625, subdivisions 20 to 20b, 256B.0924, 256B.094, and 256F.10.

32.29 (b) The commissioner, in collaboration with Tribes, counties, providers, and individuals
 32.30 served, must propose further modifications to targeted case management services to ensure

33.1 a program that complies with all federal requirements, delivers services in a cost-effective
33.2 and efficient manner, creates uniform expectations for targeted case management services,
33.3 addresses health disparities, and promotes person- and family-centered services.

33.4 (c) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
33.5 that does not meet the requirements of this section or sections 245.4711, 245.4881,
33.6 256B.0625, subdivisions 20 and 20b, 256B.0924, 256B.094, and 256F.10. The county of
33.7 financial responsibility, as determined under sections 256G.01 to 256G.12 or, if applicable,
33.8 the Tribal agency, is responsible for any federal disallowances. The county or Tribal agency
33.9 may share the financial responsibility with the county's or Tribal agency's contracted vendors.

33.10 Sec. 38. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision
33.11 to read:

33.12 Subd. 5. **County-provided fee-for-service rate setting and reconciliation.** (a) Effective
33.13 January 1 of the implementation year determined under subdivision 6, or upon federal
33.14 approval, whichever is later, the commissioner must pay targeted case management services
33.15 for which counties provide the nonfederal share of money and county staff provide the
33.16 services on a fee-for-service basis according to the cost-based payment methodology in this
33.17 subdivision and consistent with the federal regulations related to certified public expenditures.
33.18 To receive federal reimbursement for these services, a county providing eligible forms of
33.19 targeted case management services must complete a federally approved cost report, in
33.20 accordance with section 256.01, subdivision 2, paragraph (o).

33.21 (b) The commissioner must reimburse submitted claims based on an interim rate and
33.22 must determine a final rate on a calendar-year basis following completion of a cost report
33.23 reconciliation. The commissioner must notify counties of the final rate and post final rates
33.24 publicly.

33.25 (c) A county has 60 days to appeal a final rate. To appeal a final rate, a county must
33.26 submit a written appeal request to the commissioner within 60 days of the date the
33.27 commissioner issued the final rate determination. The appeal request shall specify (1) the
33.28 disputed items, and (2) the name and address of the person to contact regarding the appeal.

33.29 (d) The payment methodology under this section must only be used to reimburse
33.30 allowable Medicaid costs. The county of financial responsibility, as determined under
33.31 sections 256G.01 to 256G.12, is responsible for any federal disallowances.

33.32 (e) Upon implementation, the commissioner must base interim rates on data from the
33.33 testing period. The commissioner must base subsequent interim rates for a calendar year

34.1 on the most recently completed reconciliation. The commissioner must notify counties of
 34.2 the interim rate by June 30 each year and post interim rates publicly. If the commissioner
 34.3 is unable to notify the counties by June 30, the commissioner must notify each county in
 34.4 writing no later than June 30 that the new interim rate is delayed and must provide an
 34.5 estimate of when the new interim rate will be available.

34.6 (f) Payments to counties for case management expenditures under this section must be
 34.7 made only from federal earnings from services provided under this section.

34.8 (g) Counties must submit all claims for targeted case management services described
 34.9 in this section using a 15-minute unit.

34.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

34.11 Sec. 39. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision
 34.12 to read:

34.13 Subd. 6. **Testing and implementation.** The commissioners of human services and
 34.14 children, youth, and families; the Association of Minnesota Counties (AMC); and the
 34.15 Minnesota Association of County Social Service Administrators (MACSSA) must collaborate
 34.16 to establish a joint governance agreement that must:

34.17 (1) establish system functionality requirements to meet the business needs of local
 34.18 agencies providing targeted case management services and comply with applicable state
 34.19 and federal regulations for the Social Services Information System (SSIS), SSIS's
 34.20 replacement, and adjacent systems and the target case management cost report under
 34.21 subdivision 5;

34.22 (2) establish a schedule for transition planning, including but not limited to fiscal impact
 34.23 assessment and training; and

34.24 (3) specify that the rate method established in subdivision 5 must not be implemented
 34.25 without both the completion of the required testing period of 12 calendar months and the
 34.26 expressed approval by the commissioners of human services and children, youth, and
 34.27 families; AMC; and MACSSA.

34.28 Sec. 40. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision
 34.29 to read:

34.30 Subd. 7. **Managed care plan units and rates for mental health targeted case**
 34.31 **management.** The commissioner must ensure that the prepaid health plans providing covered
 34.32 health services for eligible persons pursuant to this chapter and chapter 256L reimburse

35.1 counties at a rate that is at least equal to the fee-for-service rate described in subdivision 5
 35.2 for targeted case management services provided to Minnesota health care program (MHCP)
 35.3 health plan enrollees covered by medical assistance. If, for any contract year, federal approval
 35.4 is not received for this subdivision, the commissioner must adjust the capitation rates paid
 35.5 to managed care plans and county-based purchasing plans for that contract year to reflect
 35.6 the removal of this subdivision. Contracts between managed care plans and county-based
 35.7 purchasing plans and providers to whom this subdivision applies must allow recovery of
 35.8 payments from those providers if capitation rates are adjusted in accordance with this
 35.9 subdivision. Payment recoveries must not exceed the amount equal to any increase in rates
 35.10 that results from this subdivision. This subdivision expires if federal approval is not received
 35.11 for this subdivision at any time. This subdivision does not obligate MHCP health plans to
 35.12 contract with counties for the provision of targeted case management services.

35.13 **EFFECTIVE DATE.** This section is effective January 1,

35.14 Sec. 41. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision
 35.15 to read:

35.16 Subd. 8. **Targeted case management gap funding.** (a) For purposes of this subdivision,
 35.17 "unacceptable loss" means when a county's finalized amount of targeted case management
 35.18 federal reimbursement following the commissioner's reconciliation for a calendar year for
 35.19 targeted case management under subdivision 5 is less than 90 percent of the average federal
 35.20 reimbursement received by that county during the base calendar years determined in
 35.21 paragraph (c).

35.22 (b) The commissioner must pay targeted case management gap funding in the amount
 35.23 and time frame specified in paragraph (c) to an individual county for calendar years in which
 35.24 the county experiences an unacceptable loss.

35.25 (c) The base calendar years are the three calendar years immediately before the testing
 35.26 period of 12 calendar months determined under subdivision 6. In consultation with the
 35.27 county that experienced the unacceptable loss, the commissioner must make appropriate
 35.28 adjustments to base year amounts as needed to prevent the base amounts from being unduly
 35.29 influenced by onetime events, anomalies, or small changes that appear large compared to
 35.30 a narrow historical base. The commissioner must not make adjustments to the eight county
 35.31 human services agencies that received the greatest amount of targeted case management
 35.32 federal reimbursement during the base calendar years. For agencies other than the eight
 35.33 county human services agencies that received the greatest amount, the total of all adjustments

36.1 for a given calendar year must not exceed two percent of statewide federal targeted case
 36.2 management federal reimbursement that calendar year.

36.3 (d) The commissioner must pay targeted case management gap funding to the applicable
 36.4 county in an amount equaling the difference between the finalized amount of targeted case
 36.5 management federal reimbursement after reconciliation for that calendar year and 90 percent
 36.6 of the average federal reimbursement received by that county during the base calendar years,
 36.7 including any adjustments under paragraph (c). The commissioner must pay the county
 36.8 within 90 days of completing the reconciliation under subdivision 5.

36.9 (e) Targeted case management gap funding is a forecasted program under section 16A.11.

36.10 **EFFECTIVE DATE.** This section is effective January 1,

36.11 Sec. 42. Minnesota Statutes 2025 Supplement, section 256B.0924, subdivision 6, is
 36.12 amended to read:

36.13 **Subd. 6. Payment for targeted case management.** (a) ~~Medical assistance and~~
 36.14 ~~MinnesotaCare payment for targeted case management shall be made on a monthly basis.~~
 36.15 ~~In order to receive payment for an eligible adult, The provider must document at least one~~
 36.16 ~~contact per month and not more than two consecutive months without a face-to-face meet~~
 36.17 ~~the contact either in person or requirements under section 256B.094, subdivision 6. Contact~~
 36.18 ~~by interactive video that meets~~ must meet the requirements in section 256B.0625, subdivision
 36.19 20b, with the adult or the adult's legal representative, family, primary caregiver, or other
 36.20 relevant ~~persons~~ person identified as necessary to the development or implementation of
 36.21 the goals of the personal service plan.

36.22 (b) Except as provided under paragraph (m), payment for targeted case management
 36.23 provided by county staff under this subdivision ~~shall~~ must be based on the ~~monthly rate~~
 36.24 ~~methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one~~
 36.25 ~~combined average rate together with adult mental health case management under section~~
 36.26 ~~256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate~~
 36.27 ~~for case management under this section shall be the same as the rate for adult mental health~~
 36.28 ~~case management in effect as of December 31, 2001~~ established in section 256B.076,
 36.29 subdivisions 5 and 7. Billing and payment must identify the recipient's primary population
 36.30 group to allow tracking of revenues.

36.31 (c) Payment for targeted case management provided by county-contracted vendors shall
 36.32 be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2.
 36.33 The rate must not exceed the rate charged by the vendor for the same service to other payers.

37.1 If the service is provided by a team of contracted vendors, the team shall determine how to
37.2 distribute the rate among its members. No reimbursement received by contracted vendors
37.3 shall be returned to the county, except to reimburse the county for advance funding provided
37.4 by the county to the vendor.

37.5 (d) If the service is provided by a team that includes contracted vendors and county staff,
37.6 the costs for county staff participation on the team shall be included in the rate for
37.7 county-provided services. In this case, the contracted vendor and the county may each
37.8 receive separate payment for services provided by each entity in the same month. In order
37.9 to prevent duplication of services, the county must document, in the recipient's file, the need
37.10 for team targeted case management and a description of the different roles of the team
37.11 members.

37.12 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
37.13 targeted case management shall be provided by the recipient's county of responsibility, as
37.14 defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
37.15 used to match other federal funds.

37.16 (f) The commissioner may suspend, reduce, or terminate reimbursement to a provider
37.17 that does not meet the reporting or other requirements of this section. The county of
37.18 responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
37.19 disallowances. The county may share this responsibility with its contracted vendors.

37.20 (g) The commissioner shall set aside five percent of the federal funds received under
37.21 this section for use in reimbursing the state for costs of developing and implementing this
37.22 section.

37.23 (h) Payments to counties for targeted case management expenditures under this section
37.24 shall only be made from federal earnings from services provided under this section. Payments
37.25 to contracted vendors shall include both the federal earnings and the county share.

37.26 (i) Notwithstanding section 256B.041, county payments for the cost of case management
37.27 services provided by county staff shall not be made to the commissioner of management
37.28 and budget. For the purposes of targeted case management services provided by county
37.29 staff under this section, the centralized disbursement of payments to counties under section
37.30 256B.041 consists only of federal earnings from services provided under this section.

37.31 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
37.32 and the recipient's institutional care is paid by medical assistance, payment for targeted case
37.33 management services under this subdivision is limited to the lesser of:

- 38.1 (1) the last 180 days of the recipient's residency in that facility; or
- 38.2 (2) the limits and conditions which apply to federal Medicaid funding for this service.
- 38.3 (k) Payment for targeted case management services under this subdivision shall not
- 38.4 duplicate payments made under other program authorities for the same purpose.
- 38.5 (l) Any growth in targeted case management services and cost increases under this
- 38.6 section shall be the responsibility of the counties.
- 38.7 (m) The commissioner may make payments for Tribes according to section 256B.0625,
- 38.8 subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable
- 38.9 adult and developmental disability targeted case management provided by Indian health
- 38.10 services and facilities operated by a Tribe or Tribal organization.
- 38.11 Sec. 43. Minnesota Statutes 2024, section 256B.094, subdivision 2, is amended to read:
- 38.12 Subd. 2. **Eligible services.** Services eligible for medical assistance reimbursement
- 38.13 include:
- 38.14 (1) assessment of the recipient's need for case management services to gain access to
- 38.15 available medical, social, educational, economic support, and other related services;
- 38.16 (2) development, completion, and regular review of a written individual service plan
- 38.17 based on the assessment of need for case management services to ensure access to available
- 38.18 medical, social, educational, economic support, and other related services;
- 38.19 (3) routine contact or other communication with the client, the client's family, primary
- 38.20 caregiver, legal representative, substitute care provider, service providers, or other relevant
- 38.21 persons identified as necessary to the development or implementation of the goals of the
- 38.22 individual service plan, regarding the status of the client, the individual service plan, or the
- 38.23 goals for the client, exclusive of transportation of the child;
- 38.24 (4) coordinating referrals for, and the provision of, case management services for the
- 38.25 client with appropriate service providers, consistent with section 1902(a)(23) of the Social
- 38.26 Security Act;
- 38.27 (5) coordinating and monitoring the overall service delivery to ensure quality of services;
- 38.28 (6) monitoring and evaluating services on a regular basis to ensure appropriateness and
- 38.29 continued need based on the child's and family's or caregiver's current circumstances;
- 38.30 (7) completing and maintaining necessary documentation that supports and verifies the
- 38.31 activities in this subdivision;

39.1 (8) traveling to conduct a visit with the client or other relevant person necessary to the
39.2 development or implementation of the goals of the individual service plan; and

39.3 (9) coordinating with the medical assistance facility discharge planner in the 30-day
39.4 period before the client's discharge into the community. This case management service
39.5 provided to patients or residents in a medical assistance facility is limited to a maximum of
39.6 two 30-day periods per calendar year.

39.7 Sec. 44. Minnesota Statutes 2024, section 256B.094, subdivision 3, is amended to read:

39.8 Subd. 3. **Coordination and provision of services.** (a) In a county or reservation where
39.9 a ~~prepaid medical assistance provider~~ managed care organization (MCO) or county-based
39.10 purchasing (CBP) plan has contracted under section 256B.69 to provide medical and mental
39.11 health services, the case management provider shall coordinate with the ~~prepaid provider~~
39.12 MCO or CBP plan to ensure that all necessary medical and mental health services required
39.13 under the contract are provided to recipients of case management services.

39.14 ~~(b) When the case management provider determines that a prepaid provider is not~~
39.15 ~~providing mental health services as required under the contract, the case management~~
39.16 ~~provider shall assist the recipient to appeal the prepaid provider's denial pursuant to section~~
39.17 ~~256.045, and may make other arrangements for provision of the covered services.~~

39.18 ~~(c) The case management provider may bill the provider of prepaid health care services~~
39.19 ~~for any mental health services provided to a recipient of case management services which~~
39.20 ~~the county or tribal social services arranges for or provides and which are included in the~~
39.21 ~~prepaid provider's contract, and which were determined to be medically necessary as a result~~
39.22 ~~of an appeal pursuant to section 256.045. The prepaid provider must reimburse the mental~~
39.23 ~~health provider, at the prepaid provider's standard rate for that service, for any services~~
39.24 ~~delivered under this subdivision.~~

39.25 (b) Child welfare targeted case management is carved out of Minnesota health care
39.26 programs managed care contracts. The case management provider must assist the recipient
39.27 to ensure access to all medically necessary services listed in section 256B.0625, whether
39.28 delivered on a fee-for-service basis or by a MCO or CBP plan.

39.29 ~~(d)~~ (c) If the county or Tribal social services has not obtained prior authorization for this
39.30 service, or an appeal results in a determination that the services were not medically necessary,
39.31 the county or Tribal social services may not seek reimbursement from the prepaid provider.

40.1 Sec. 45. Minnesota Statutes 2024, section 256B.094, subdivision 6, is amended to read:

40.2 Subd. 6. **Medical assistance reimbursement of case management services.** (a) Medical
40.3 assistance reimbursement for services under this section ~~shall~~ must be made ~~on a monthly~~
40.4 ~~basis~~ in accordance with section 256B.076. Payment is based on face-to-face contacts either
40.5 in person or by interactive video, or telephone contacts between the case manager and the
40.6 client, client's family, primary caregiver, legal representative, or other relevant person
40.7 identified as necessary to the development or implementation of the goals of the individual
40.8 service plan regarding the status of the client, the individual service plan, or the goals for
40.9 the client. These contacts must meet the following requirements:

40.10 (1) there must be a face-to-face contact either in person or by interactive video that meets
40.11 the requirements of section 256B.0625, subdivision 20b, at least once a month except as
40.12 provided in clause (2); and

40.13 (2) for a client placed outside of the county of financial responsibility, or a client served
40.14 by Tribal social services placed outside the reservation, in an excluded time facility under
40.15 section 256G.02, subdivision 6, or through the Interstate Compact for the Placement of
40.16 Children, section 260.93, and the placement in either case is more than 60 miles beyond
40.17 the county or reservation boundaries, there must be at least one contact per month and not
40.18 more than two consecutive months without a face-to-face, in-person contact.

40.19 ~~(b) Except as provided under paragraph (c), the payment rate is established using time~~
40.20 ~~study data on activities of provider service staff and reports required under sections 245.482~~
40.21 ~~and 256.01, subdivision 2, paragraph (c).~~

40.22 ~~(c)~~ (b) Payments for Tribes may be made according to section 256B.0625 or other
40.23 relevant federally approved rate setting methodology for child welfare targeted case
40.24 management provided by Indian health services and facilities operated by a Tribe or Tribal
40.25 organization.

40.26 ~~(d)~~ (c) Payment for case management provided by county contracted vendors must be
40.27 calculated in accordance with section 256B.076, subdivision 2. Payment for case management
40.28 provided by vendors who contract with a Tribe must be based on a monthly rate negotiated
40.29 by the Tribe. The rate must not exceed the rate charged by the vendor for the same service
40.30 to other payers. ~~If the service is provided by a team of contracted vendors, the team shall~~
40.31 ~~determine how to distribute the rate among its members.~~ No reimbursement received by
40.32 contracted vendors shall be returned to the county or Tribal social services, except to
40.33 reimburse the county or Tribal social services for advance funding provided by the county
40.34 or Tribal social services to the vendor.

41.1 ~~(e)~~ (d) If the service is provided by a team that includes contracted vendors and county
 41.2 or Tribal social services staff, the costs for county or Tribal social services staff participation
 41.3 in the team shall be included in the rate for county or Tribal social services provided services.
 41.4 In this case, the contracted vendor and the county or Tribal social services may each receive
 41.5 separate payment for services provided by each entity in the same month. To prevent
 41.6 duplication of services, each entity must document, in the recipient's file, the need for team
 41.7 case management and a description of the roles and services of the team members.

41.8 ~~Separate payment rates may be established for different groups of providers to maximize~~
 41.9 ~~reimbursement as determined by the commissioner. The payment rate will be reviewed~~
 41.10 ~~annually and revised periodically to be consistent with the most recent time study and other~~
 41.11 ~~data. Payment for services will be made upon submission of a valid claim and verification~~
 41.12 ~~of proper documentation described in subdivision 7. Federal administrative revenue earned~~
 41.13 ~~through the time study, or under paragraph (e), shall be distributed according to earnings,~~
 41.14 ~~to counties, reservations, or groups of counties or reservations which have the same payment~~
 41.15 ~~rate under this subdivision, and to the group of counties or reservations which are not~~
 41.16 ~~certified providers under section 256F.10. The commissioner shall modify the requirements~~
 41.17 ~~set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.~~

41.18 Sec. 46. Minnesota Statutes 2024, section 256B.094, subdivision 7, is amended to read:

41.19 Subd. 7. ~~Documentation for case record and claim~~ **Service provision**
 41.20 **requirements.** (a) The assessment, case finding, and individual service plan shall be
 41.21 maintained in the individual case record under the Data Practices Act, chapter 13.

41.22 (b) Payment is based on face-to-face contacts either in person or by interactive video,
 41.23 or telephone contacts between the case manager and the client, client's family, primary
 41.24 caregiver, legal representative, or other relevant person identified as necessary to the
 41.25 development or implementation of the goals of the individual service plan regarding the
 41.26 status of the client, the individual service plan, or the goals for the client. Contacts must
 41.27 meet the following requirements:

41.28 (1) in accordance with section 260C.212, subdivision 4a, and United States Code, title
 41.29 42, section 622(b)(17), there must be a face-to-face contact either in person or by interactive
 41.30 video that meets the requirements of section 256B.0625, subdivision 20b, at least once a
 41.31 month, except as provided in clause (2); and

41.32 (2) for a client placed outside of the county of financial responsibility, or a client served
 41.33 by Tribal social services placed outside the reservation, in an excluded time facility under
 41.34 section 256G.02, subdivision 6, or according to the Interstate Compact for the Placement

42.1 of Children under section 260.93, and the placement in either case is more than 60 miles
 42.2 beyond the county or reservation boundaries, there must be at least one contact per month
 42.3 and not more than two consecutive months without a face-to-face, in-person contact.

42.4 (c) The individual service plan must be reviewed at least annually and updated as
 42.5 necessary. Each individual case record must maintain documentation of routine, ongoing,
 42.6 contacts and services. Each claim must be supported by written documentation in the
 42.7 individual case record.

42.8 ~~(b)~~ (d) Each claim must include:

42.9 (1) the name of the recipient;

42.10 (2) the date of the service;

42.11 (3) the name of the provider agency and the person providing service;

42.12 (4) the nature and extent of services; and

42.13 (5) the place of the services.

42.14 Sec. 47. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

42.15 Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to
 42.16 determine the ability of responsible relatives to contribute partial or complete payment or
 42.17 repayment of medical assistance furnished to recipients for whom they are responsible. All
 42.18 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for
 42.19 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third
 42.20 of the excess resources shall be required. These rules shall not require payment or repayment
 42.21 when payment would cause undue hardship to the responsible relative or that relative's
 42.22 immediate family. These rules ~~do not apply to~~ must be consistent with the requirements of
 42.23 section 252.27 for parents of children with household adjusted gross income equal to or
 42.24 greater than 675 percent of the federal poverty guidelines whose eligibility for medical
 42.25 assistance was determined without deeming of the parents' resources and income under the
 42.26 Tax Equity and Fiscal Responsibility Act (TEFRA) option or ~~to parents of children accessing~~
 42.27 access home and community-based waiver services. The county agency shall give the
 42.28 responsible relative notice of the amount of the payment or repayment. If the state agency
 42.29 or county agency finds that notice of the payment obligation was given to the responsible
 42.30 relative, but that the relative failed or refused to pay, a cause of action exists against the
 42.31 responsible relative for that portion of medical assistance granted after notice was given to
 42.32 the responsible relative, which the relative was determined to be able to pay.

43.1 (b) The action may be brought by the state agency or the county agency in the county
43.2 where assistance was granted, for the assistance, together with the costs of disbursements
43.3 incurred due to the action.

43.4 (c) In addition to granting the county or state agency a money judgment, the court may,
43.5 upon a motion or order to show cause, order continuing contributions by a responsible
43.6 relative found able to repay the county or state agency. The order shall be effective only
43.7 for the period of time during which the recipient receives medical assistance from the county
43.8 or state agency.

43.9 **EFFECTIVE DATE.** This section is effective January 1, 2027.

43.10 Sec. 48. Minnesota Statutes 2025 Supplement, section 256B.1973, subdivision 9, is
43.11 amended to read:

43.12 Subd. 9. **Interaction with other directed payments.** (a) An eligible provider under
43.13 subdivision 3 may participate in the hospital directed payment program under section
43.14 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider
43.15 participating in the hospital directed payment program must not receive a directed payment
43.16 under this section for any provider classes paid via the hospital directed payment program.
43.17 A hospital subject to this section must notify the commissioner in writing no later than 30
43.18 days after enactment of this subdivision of the hospital's intention to participate in the
43.19 hospital directed payment program under section 256B.1974 for inpatient hospital services,
43.20 outpatient hospital services, or both.

43.21 (b) The election under this subdivision is a onetime election, except that if an eligible
43.22 provider elects to participate in the hospital directed payment program, and the hospital
43.23 directed payment program expires or is not federally approved, the eligible provider may
43.24 subsequently elect to participate in the directed payment under this section.

43.25 (c) If an eligible provider elects not to participate in the hospital directed payment
43.26 program under section 256B.1974 and the federal statutes or regulations related to hospital
43.27 directed payment programs are subsequently substantially changed, the eligible provider
43.28 may elect to participate in the hospital directed payment program under section 256B.1974.

43.29 (d) The effective date of the election to participate in the hospital directed payment
43.30 program under this section must align with the beginning of the calendar year in which
43.31 payment rates under this section are updated. The eligible provider must notify the
43.32 commissioner of the eligible provider's intention to make the election ten months before
43.33 the effective date of the election.

44.1 Sec. 49. Minnesota Statutes 2024, section 256B.198, is amended to read:

44.2 **256B.198 PAYMENTS FOR NON-HOSPITAL-BASED GOVERNMENTAL**
44.3 **HEALTH CENTERS.**

44.4 (a) The commissioner may make payments to non-hospital-based health centers operated
44.5 by a governmental entity for the difference between the expenditures incurred by the health
44.6 center for patients eligible for medical assistance, and the payments to the health center for
44.7 medical assistance permitted elsewhere under this chapter.

44.8 (b) The nonfederal share of payments authorized under paragraph (a) shall be provided
44.9 through certified public expenditures authorized under section 256B.199, paragraph (b).

44.10 (c) Effective July 1, 2013, or no earlier than 12 months after implementation of a total
44.11 cost of care demonstration project, Hennepin County may receive federal matching funds
44.12 for certified public expenditures under paragraph (a), if the county participates in a total
44.13 cost of care demonstration project under sections 256B.0755 and 256B.0756, or another
44.14 total cost of care demonstration project approved by the commissioner, and the county
44.15 exceeds the minimum performance threshold established by the commissioner for the
44.16 demonstration project. The value of the federal matching funds for the certified public
44.17 expenditures allocated to Hennepin County shall be equal to the value of savings achieved
44.18 above the minimum performance threshold. The same proportion of federal matching funds
44.19 for certified public expenditure allocated to Hennepin County based on savings achieved
44.20 under the demonstration project shall continue after the demonstration project and must
44.21 continue to be paid to Hennepin County each year thereafter.

44.22 (d) Beginning July 1, 2014, or no earlier than 12 months after the initial allocation under
44.23 paragraph (c) if a portion of the federal matching funds for certified public expenditure
44.24 remains with the state, the commissioner shall annually determine if the savings from
44.25 county's total cost of care demonstration project exceeded the savings from the previous
44.26 year and allocate federal matching funds for certified public expenditures to Hennepin
44.27 County equal to the amount of savings achieved above the amount achieved in the previous
44.28 year. The proportion of federal matching funds for certified public expenditure allocated to
44.29 Hennepin County shall be paid to Hennepin County each year thereafter, until no federal
44.30 matching funds for certified public expenditures under paragraph (a) remain with the state.

44.31 (e) Nothing under this section precludes Hennepin County from receiving an additional
44.32 gain-sharing payment or relieves the county from paying a downside risk-sharing payment
44.33 to the state under the demonstration project under section 256B.0755.

44.34 (f) Payments under this section expire June 30, 2026.

45.1 Sec. 50. Minnesota Statutes 2024, section 256B.75, is amended to read:

45.2 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

45.3 (a) For outpatient hospital facility fee payments for services rendered on or after October
45.4 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,
45.5 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for
45.6 which there is a federal maximum allowable payment. Effective for services rendered on
45.7 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and
45.8 emergency room facility fees shall be increased by eight percent over the rates in effect on
45.9 December 31, 1999, except for those services for which there is a federal maximum allowable
45.10 payment. Services for which there is a federal maximum allowable payment shall be paid
45.11 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total
45.12 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare
45.13 upper limit. If it is determined that a provision of this section conflicts with existing or
45.14 future requirements of the United States government with respect to federal financial
45.15 participation in medical assistance, the federal requirements prevail. The commissioner
45.16 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial
45.17 participation resulting from rates that are in excess of the Medicare upper limitations.

45.18 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory
45.19 surgery hospital facility fee services for critical access hospitals designated under section
45.20 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the
45.21 cost-finding methods and allowable costs of the Medicare program. Effective for services
45.22 provided on or after July 1, 2015, rates established for critical access hospitals under this
45.23 paragraph for the applicable payment year shall be the final payment and shall not be settled
45.24 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal
45.25 year ending in 2017, the rate for outpatient hospital services shall be computed using
45.26 information from each hospital's Medicare cost report as filed with Medicare for the year
45.27 that is two years before the year that the rate is being computed. Rates shall be computed
45.28 using information from Worksheet C series until the department finalizes the medical
45.29 assistance cost reporting process for critical access hospitals. After the cost reporting process
45.30 is finalized, rates shall be computed using information from Title XIX Worksheet D series.
45.31 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs
45.32 related to rural health clinics and federally qualified health clinics, divided by ancillary
45.33 charges plus outpatient charges, excluding charges related to rural health clinics and federally
45.34 qualified health clinics. Effective for services delivered on or after January 1, 2024, the
45.35 rates paid to critical access hospitals under this section must be adjusted to include the

46.1 amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were
 46.2 not included in the rate adjustment described under section 256.969, subdivision 2b,
 46.3 paragraph (k).

46.4 (c) Critical access hospitals that convert to rural emergency hospitals in accordance with
 46.5 section 1861(kkk) of the Social Security Act must be paid the rate described in paragraph
 46.6 (b). The rate must be classified as either an outpatient hospital rate or a clinic rate as
 46.7 determined upon federal approval.

46.8 ~~(e)~~ (d) Effective for services provided on or after July 1, 2003, rates that are based on
 46.9 the Medicare outpatient prospective payment system shall be replaced by a budget neutral
 46.10 prospective payment system that is derived using medical assistance data. The commissioner
 46.11 shall provide a proposal to the 2003 legislature to define and implement this provision.
 46.12 When implementing prospective payment methodologies, the commissioner shall use general
 46.13 methods and rate calculation parameters similar to the applicable Medicare prospective
 46.14 payment systems for services delivered in outpatient hospital and ambulatory surgical center
 46.15 settings unless other payment methodologies for these services are specified in this chapter.

46.16 ~~(d)~~ (e) For fee-for-service services provided on or after July 1, 2002, the total payment,
 46.17 before third-party liability and spenddown, made to hospitals for outpatient hospital facility
 46.18 services is reduced by .5 percent from the current statutory rate.

46.19 ~~(e)~~ (f) In addition to the reduction in paragraph ~~(d)~~ (e), the total payment for
 46.20 fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient
 46.21 hospital facility services before third-party liability and spenddown, is reduced five percent
 46.22 from the current statutory rates. Facilities defined under section 256.969, subdivision 16,
 46.23 are excluded from this paragraph.

46.24 ~~(f)~~ (g) In addition to the reductions in paragraphs ~~(d)~~ and (e) and (f), the total payment
 46.25 for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
 46.26 hospital facility services before third-party liability and spenddown, is reduced three percent
 46.27 from the current statutory rates. Mental health services and facilities defined under section
 46.28 256.969, subdivision 16, are excluded from this paragraph.

46.29 Sec. 51. Minnesota Statutes 2024, section 256L.04, subdivision 14, is amended to read:

46.30 Subd. 14. **Coordination with medical assistance.** (a) Individuals eligible for medical
 46.31 assistance under chapter 256B are not eligible for MinnesotaCare under this section.

47.1 (b) The commissioner shall coordinate eligibility and coverage to ensure that individuals
 47.2 transitioning between medical assistance and MinnesotaCare have seamless eligibility and
 47.3 access to health care services.

47.4 (c) Individuals denied or disenrolled from medical assistance for failure to comply with
 47.5 the eligibility requirements of section 256B.0562 are not eligible for MinnesotaCare.

47.6 **EFFECTIVE DATE.** This section is effective January 1, 2027.

47.7 Sec. 52. Minnesota Statutes 2024, section 295.52, subdivision 8, is amended to read:

47.8 Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning
 47.9 in 2011, the commissioner of management and budget shall determine the projected balance
 47.10 in the health care access fund for the biennium.

47.11 (b) If the commissioner of management and budget determines that the projected balance
 47.12 in the health care access fund for the biennium reflects a ratio of revenues to expenditures
 47.13 and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate,
 47.14 as determined by the commissioner of management and budget, the commissioner, in
 47.15 consultation with the ~~commissioner~~ commissioners of revenue and human services, shall
 47.16 reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar
 47.17 year sufficient to reduce the structural balance in the fund. The rate may be reduced to the
 47.18 extent that the projected revenues for the biennium do not exceed 125 percent of expenditures
 47.19 and transfers. The new rate shall be rounded to the nearest one-tenth of one percent. The
 47.20 rate reduction under this paragraph expires at the end of each calendar year and is subject
 47.21 to an annual redetermination by the commissioner of management and budget.

47.22 (c) For purposes of the analysis defined in paragraph (b), the commissioner of
 47.23 management and budget shall include projected revenues.

47.24 Sec. 53. **REPORT AND RECOMMENDATIONS ON FINANCIAL STABILITY OF**
 47.25 **SAFETY NET PROVIDERS.**

47.26 (a) The executive director of the Health Subcabinet, as established by Minnesota Statutes,
 47.27 section 4.047, in conjunction with member agencies and other state agencies, shall conduct
 47.28 a study to evaluate strategies to promote the long-term financial stability of safety net health
 47.29 care providers across Minnesota.

47.30 (b) The study must evaluate the current financial challenges facing safety net providers
 47.31 and consider changes that could be adopted by the state, local governments, and health care
 47.32 entities to promote sustainable access to essential health care services.

48.1 (c) For purposes of this section, "safety net provider" means:

48.2 (1) a hospital that accepts Medicare funding and is subject to section 1867 of the Social
48.3 Security Act;

48.4 (2) a federally qualified health center, as defined in Minnesota Statutes, section 145.9269;

48.5 (3) a certified community behavioral health clinic, as defined in Minnesota Statutes,
48.6 section 245.735; or

48.7 (4) a community mental health center, as defined in Minnesota Statutes, section 245.62,
48.8 that provides uncompensated care.

48.9 (d) The executive director may contract with a vendor to support this study through
48.10 research and actuarial analysis. Data from other state agencies must be made available for
48.11 the purposes of this study as requested. The executive director is exempt from the
48.12 requirements of Minnesota Statutes, chapters 16A and 16C, when entering into a new
48.13 contract or amending an existing contract to complete analyses required under this section.

48.14 (e) By February 15, 2027, the executive director of the Health Subcabinet must report
48.15 information from this section to the chairs and ranking minority members of the legislative
48.16 committees with primary jurisdiction over health care policy and finance and health
48.17 insurance.

48.18 **ARTICLE 2**

48.19 **BEHAVIORAL HEALTH**

48.20 Section 1. Minnesota Statutes 2024, section 245.4661, is amended by adding a subdivision
48.21 to read:

48.22 Subd. 1a. **Direct payment.** For purposes of this section, "direct payment" means a
48.23 funding mechanism used by the commissioner to distribute state appropriations to a county,
48.24 Tribe, or other eligible governmental entity for the purpose of carrying out duties, services,
48.25 or activities authorized under this section. A direct payment is not a grant under section
48.26 16B.97 and is not subject to statewide grant-making policies and laws, including but not
48.27 limited to sections 16A.15 and 16C.05, except as specifically required by the commissioner.
48.28 A direct payment must be used for the purposes and allowable activities established by the
48.29 commissioner and is subject to financial oversight, reporting, and monitoring requirements
48.30 under subdivision 11.

48.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

49.1 Sec. 2. Minnesota Statutes 2024, section 245.4661, is amended by adding a subdivision
49.2 to read:

49.3 Subd. 3a. **Authority and rulemaking.** The commissioner may distribute money under
49.4 this section through direct payments when the commissioner determines that a direct payment
49.5 is the most effective and efficient method to support the delivery of adult mental health
49.6 services, Tribal government activities, or county responsibilities under this section. The
49.7 commissioner shall establish eligibility criteria, allowable uses, documentation standards,
49.8 and reporting requirements for recipients of direct payments. The commissioner is authorized
49.9 to engage in rulemaking to fulfill the requirements of this subdivision.

49.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

49.11 Sec. 3. Minnesota Statutes 2025 Supplement, section 245.4661, subdivision 9, is amended
49.12 to read:

49.13 Subd. 9. **Programs and eligible services and programs.** (a) The following three distinct
49.14 ~~grant~~ programs ~~are funded~~ may receive direct payments under this section:

49.15 (1) mental health crisis services;

49.16 (2) housing with supports for adults with serious mental illness; and

49.17 (3) projects for assistance in transitioning from homelessness (PATH program).

49.18 (b) ~~In addition,~~ The following services are eligible for ~~grant funds~~ funding as direct
49.19 payments under this section as the payor of last resort:

49.20 (1) community education and prevention;

49.21 (2) client outreach;

49.22 (3) early identification and intervention;

49.23 (4) adult outpatient diagnostic assessment and psychological testing;

49.24 (5) peer support services;

49.25 (6) community support program services (CSP);

49.26 (7) adult residential crisis stabilization;

49.27 (8) supported employment;

49.28 (9) assertive community treatment (ACT);

49.29 (10) housing subsidies;

- 50.1 (11) basic living, social skills, and community intervention;
- 50.2 (12) emergency response services;
- 50.3 (13) adult outpatient psychotherapy;
- 50.4 (14) adult outpatient medication management;
- 50.5 (15) adult mobile crisis services, including the purchase and renovation of vehicles by
- 50.6 mobile crisis teams in order to provide protected transport under section 256B.0625,
- 50.7 subdivision 17, paragraph (1), clause (6);
- 50.8 (16) adult day treatment;
- 50.9 (17) partial hospitalization;
- 50.10 (18) adult residential treatment;
- 50.11 (19) adult mental health targeted case management; and
- 50.12 (20) transportation.

50.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

50.14 Sec. 4. Minnesota Statutes 2024, section 245.4661, subdivision 10, is amended to read:

50.15 Subd. 10. **Commissioner duty to report on use of grant funds biennially.** (a) By

50.16 November 1, 2016, and biennially thereafter, the commissioner of ~~human services~~ shall

50.17 provide sufficient information to the members of the legislative committees having

50.18 jurisdiction over mental health funding and policy issues to evaluate the use of funds

50.19 appropriated under this section. The commissioner shall provide, at a minimum, the following

50.20 information:

50.21 (1) the amount of funding to adult mental health initiatives, what programs and services

50.22 were funded in the previous two years, gaps in services that each initiative brought to the

50.23 attention of the commissioner, and outcome data for the programs and services that were

50.24 funded; and

50.25 (2) the amount of funding for other targeted services and the location of services.

50.26 (b) This subdivision expires January 1, 2032.

50.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

51.1 Sec. 5. Minnesota Statutes 2024, section 245.4661, is amended by adding a subdivision
51.2 to read:

51.3 Subd. 12. Oversight of direct payments. (a) The commissioner shall develop and
51.4 maintain monitoring, financial review, and accountability procedures for all direct payments
51.5 issued under this section.

51.6 (b) Recipients of direct payments must comply with all documentation, reporting, and
51.7 expenditure requirements established by the commissioner.

51.8 (c) The commissioner may require corrective action, suspend payments, or recover funds
51.9 if a recipient fails to comply with requirements established under this subdivision.

51.10 (d) The commissioner shall develop a direct payment acknowledgment process to ensure
51.11 that recipients understand the terms, conditions, and oversight requirements associated with
51.12 direct payments.

51.13 (e) The commissioner is authorized to engage in rulemaking to fulfill the requirements
51.14 of this subdivision.

51.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

51.16 Sec. 6. Minnesota Statutes 2024, section 245I.011, subdivision 5, is amended to read:

51.17 **Subd. 5. Programs certified under chapter 256B.** (a) An individual, organization, or
51.18 government entity certified under the following sections must comply with all of the
51.19 responsibilities assigned to a license holder under this chapter except subdivision 1:

51.20 (1) an assertive community treatment provider under section 256B.0622, subdivision
51.21 3a;

51.22 (2) an adult rehabilitative mental health services provider under section 256B.0623;

51.23 (3) a mobile crisis team under section 256B.0624;

51.24 (4) a children's therapeutic services and supports provider under section 256B.0943;

51.25 (5) a children's intensive behavioral health services provider under section 256B.0946;

51.26 ~~and~~

51.27 (6) an intensive nonresidential rehabilitative mental health services provider under section
51.28 256B.0947; and

51.29 (7) effective July 1, 2027, or upon federal approval, whichever is later, a coordinated
51.30 specialty care team under section 256B.0672.

52.1 (b) An individual, organization, or government entity certified under the sections listed
 52.2 in paragraph (a), clauses (1) to ~~(6)~~ (7), must obtain a criminal background study for each
 52.3 staff person and volunteer providing direct contact services to a client.

52.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

52.5 Sec. 7. Minnesota Statutes 2024, section 254A.03, subdivision 2, is amended to read:

52.6 Subd. 2. **American Indian programs.** There is hereby created a section of American
 52.7 Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human
 52.8 Services, to be headed by a special assistant for American Indian programs on substance
 52.9 misuse and substance use disorder and two assistants to that position. The section shall be
 52.10 staffed with all personnel necessary to fully administer programming for substance misuse
 52.11 and substance use disorder services for American Indians in the state. The special assistant
 52.12 position shall be filled by a person with considerable practical experience in and
 52.13 understanding of substance misuse and substance use disorder in the American Indian
 52.14 community, who shall be responsible to the director of the Alcohol and Drug Abuse Section
 52.15 created in subdivision 1 and shall be in the unclassified service. The special assistant shall
 52.16 meet and consult with the American Indian Advisory Council as described in section
 52.17 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report
 52.18 on the status of substance misuse and substance use disorder among American Indians in
 52.19 the state of Minnesota. The special assistant with the approval of the director shall:

52.20 (1) administer direct payments using funds appropriated for American Indian groups,
 52.21 organizations and reservations within the state for American Indian substance misuse and
 52.22 substance use disorder programs;

52.23 (2) establish policies and procedures for such American Indian programs with the
 52.24 assistance of the American Indian Advisory Board; and

52.25 (3) hire and supervise staff to assist in the administration of the American Indian program
 52.26 section within the Alcohol and Drug Abuse Section of the Department of Human Services.

52.27 **EFFECTIVE DATE.** This section is effective January 1, 2027.

52.28 Sec. 8. Minnesota Statutes 2025 Supplement, section 254B.02, subdivision 5, is amended
 52.29 to read:

52.30 Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal
 52.31 Nation servicing agencies from money allocated under this section to support individuals
 52.32 with substance use disorders and determine eligibility for behavioral health fund payments.

53.1 The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal
 53.2 year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation
 53.3 for this chapter.

53.4 **EFFECTIVE DATE.** This section is effective January 1, 2027.

53.5 Sec. 9. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 4, is amended
 53.6 to read:

53.7 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
 53.8 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
 53.9 of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder
 53.10 services, except for those services provided to persons enrolled in medical assistance under
 53.11 chapter 256B and room and board services under section 254B.0505, subdivision 1. Counties
 53.12 may use the indigent hospitalization levy for treatment and hospital payments made under
 53.13 this section.

53.14 (b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15
 53.15 percent for the cost of payment and collections, must be distributed to the county that paid
 53.16 for a portion of the treatment under this section.

53.17 **EFFECTIVE DATE.** This section is effective July 1, 2026.

53.18 Sec. 10. Minnesota Statutes 2025 Supplement, section 254B.0503, subdivision 1, is
 53.19 amended to read:

53.20 Subdivision 1. **Eligible vendor requirements.** (a) Vendors of room and board are
 53.21 eligible for behavioral health fund payment if the vendor:

53.22 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
 53.23 while residing in the facility and provide consequences for infractions of those rules;

53.24 (2) is determined to meet applicable health and safety requirements;

53.25 (3) is not a jail or prison;

53.26 (4) is not concurrently receiving funds under chapter 256I for the recipient;

53.27 (5) admits individuals who are 18 years of age or older;

53.28 (6) is registered as a board and lodging or lodging establishment according to section
 53.29 157.17;

53.30 (7) has awake staff on site whenever a client is present;

54.1 (8) has staff who are at least 18 years of age and meet the requirements of section
54.2 245G.11, subdivision 1, paragraph (b);

54.3 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

54.4 (10) meets the requirements of section 245G.08, subdivision 5, if administering
54.5 medications to clients;

54.6 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
54.7 fraternization and the mandatory reporting requirements of section 626.557;

54.8 (12) documents coordination with the treatment provider to ensure compliance with
54.9 section 254B.03, subdivision 2;

54.10 (13) protects client funds and ensures freedom from exploitation by meeting the
54.11 provisions of section 245A.04, subdivision 13;

54.12 (14) has a grievance procedure that meets the requirements of section 245G.15,
54.13 subdivision 2; and

54.14 (15) has sleeping and bathroom facilities for men and women separated by a door that
54.15 is locked, has an alarm, or is supervised by awake staff.

54.16 (b) Programs providing children's mental health crisis admissions and stabilization under
54.17 section 245.4882, subdivision 6, are eligible vendors of room and board.

54.18 (c) Programs providing children's residential services under section 245.4882, except
54.19 services for individuals who have a placement under chapter 260C or 260D, are eligible
54.20 vendors of room and board.

54.21 (d) A vendor that is not licensed as a residential treatment program must have a policy
54.22 to address staffing coverage when a client may unexpectedly need to be present at the room
54.23 and board site.

54.24 (e) No new vendors for room and board services may be approved after June 30, 2025,
54.25 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
54.26 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
54.27 2025, may continue to receive payments from the behavioral health fund for services provided
54.28 until ~~June 30, 2027~~ December 31, 2026. Room and board vendors providing services in
54.29 accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim
54.30 reimbursement for room and board services provided on or after ~~July~~ January 1, 2027.

54.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

55.1 Sec. 11. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 2, is
55.2 amended to read:

55.3 Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the
55.4 commissioner of human services must adjust the payment rates under subdivision 1 according
55.5 to the change from the midpoint of the previous rate year to the midpoint of the rate year
55.6 for which the rate is being determined using the Centers for Medicare and Medicaid Services
55.7 Medicare Economic Index as forecasted in the fourth quarter of the calendar year before
55.8 the rate year. Notwithstanding this subdivision, rates must not be adjusted lower than those
55.9 established on January 1, 2026.

55.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

55.11 Sec. 12. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

55.12 Subd. 2. **Allocation of collections.** The commissioner shall allocate ~~77.05~~ 50 percent
55.13 of patient payments and third-party payments to the special revenue account and ~~22.95~~ 50
55.14 percent to the county financially responsible for the patient.

55.15 **EFFECTIVE DATE.** This section is effective July 1, 2026.

55.16 Sec. 13. **[256B.0618] COVERAGE FOR DETAINED INDIVIDUALS.**

55.17 (a) An inmate of a correctional facility who is conditionally released under section
55.18 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

55.19 (1) does not require the security of a public detention facility and is housed:

55.20 (i) in a halfway house or community correction center; or

55.21 (ii) under house arrest and monitored by electronic surveillance in a residence approved
55.22 by the commissioner of corrections; and

55.23 (2) meets all other eligibility requirements of this chapter.

55.24 (b) An individual, regardless of age, who is considered an inmate of a public institution
55.25 as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the
55.26 eligibility requirements in section 256B.056 is not eligible for medical assistance, except
55.27 for covered medical assistance services received:

55.28 (1) while an inpatient in a medical institution as defined in Code of Federal Regulations,
55.29 title 42, section 435.1010;

56.1 (2) by an eligible juvenile in accordance with the Consolidated Appropriations Act,
56.2 2023, Public Law 117-328, part 5121; and

56.3 (3) by an eligible individual under with section 256B.0761.

56.4 (c) Security logistics and costs related to the inpatient treatment of an inmate are the
56.5 responsibility of the entity with jurisdiction over the inmate.

56.6 **EFFECTIVE DATE.** This section is effective January 1, 2027.

56.7 Sec. 14. **[256B.0619] CARCERAL TARGETED CASE MANAGEMENT SERVICES.**

56.8 Subdivision 1. **Generally.** Effective January 1, 2027, or upon federal approval, whichever
56.9 is later, medical assistance covers carceral targeted case management services in accordance
56.10 with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32);
56.11 1397bb(d); and 1397jj(b)(2) and (7).

56.12 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
56.13 meanings given.

56.14 (b) "Comprehensive care plan" means a person-centered plan that includes goals, tasks,
56.15 and services identified through screening and assessments and agreed upon by all parties.
56.16 This includes but is not limited to identifying resources and services necessary to meet the
56.17 individual's physical, behavioral health, and health-related social needs prerelease and
56.18 postrelease.

56.19 (c) "Consultation" means communication from a carceral targeted case manager to other
56.20 providers working with the same individual to inform, inquire, and instruct regarding the
56.21 individual's symptoms, strategies for effective engagement, care and intervention needs,
56.22 and treatment expectations across service settings, including but not limited to the education
56.23 services, social services, probation, home, primary care, medication prescribers, disabilities
56.24 services, and other mental health providers and to direct and coordinate clinical service
56.25 components provided to the justice-involved individual.

56.26 (d) "Targeted case management for justice-involved individuals" means the provision
56.27 of both county targeted case management and public or private vendor service coordination
56.28 services for the purpose of bridging prerelease and postrelease medical assistance services
56.29 to support the physical, behavioral health, and health-related social needs of justice-involved
56.30 individuals.

56.31 (e) "Targeted case management services" means services that assist medical assistance
56.32 eligible persons to gain access to needed medical, social, educational, and other services.

57.1 Subd. 3. Eligibility. The following individuals are eligible for carceral targeted case
57.2 management services:

57.3 (1) individuals eligible for medical assistance who meet all eligibility requirements under
57.4 United States Code, title 42, section 1396a(nn);

57.5 (2) individuals eligible for medical assistance who meet eligibility requirements for the
57.6 Children's Health Insurance Program under United States Code, title 42, section 1397jj(b)(7);
57.7 or

57.8 (3) individuals eligible for medical assistance who are currently incarcerated at a section
57.9 1115 reentry demonstration pilot facility and meet the participation requirements in section
57.10 256B.0761, subdivision 2.

57.11 Subd. 4. Carceral targeted case management services. (a) For individuals eligible for
57.12 services under subdivision 3, clause (1) or (2), carceral targeted case management care
57.13 coordination is available for 30 days before release and up to 180 days postrelease. For
57.14 individuals eligible for services under subdivision 3, clause (3), carceral targeted case
57.15 management care coordination is available for up to 90 days before release and up to 180
57.16 days postrelease.

57.17 (b) Carceral targeted case management care coordination includes:

57.18 (1) comprehensive assessment and periodic reassessment addressing physical, behavioral,
57.19 and health-related social needs in accordance with section 256B.0761 and United States
57.20 Code, title 42, sections 1396a(nn) and 1397jj(b)(7).

57.21 (2) comprehensive care plans including but not limited to;

57.22 (i) the desired goals of the individual;

57.23 (ii) the individual's preferences for services and supports;

57.24 (iii) formal and informal services and supports based on areas of assessment, such as
57.25 social health, mental health, residence, family, education and vocation, safety, legal,
57.26 self-determination, financial, and chemical health; and

57.27 (iv) housing arrangements postrelease.

57.28 (3) regular review and revision of the comprehensive care plan with the individual to
57.29 ensure needs are adequately met by referrals and supports;

57.30 (4) coordination of referrals, which must contain more than just a list of resources, to
57.31 bridge prerelease to postrelease medical assistance services, including but not limited to
57.32 referrals to community-based services identified as a need on the comprehensive care plan;

58.1 (5) warm handoffs and follow-up post release;

58.2 (6) monitoring and evaluation of services identified in the comprehensive care plan to
58.3 ensure personal outcomes are met and to ensure satisfaction with services and service
58.4 delivery;

58.5 (7) consultation with other professionals, including but not limited to community-based
58.6 mental health providers; and

58.7 (8) completion and maintenance of necessary documentation that supports and verifies
58.8 the activities in this section.

58.9 Subd. 5. **Carceral targeted case management provider standards.** Providers eligible
58.10 to receive medical assistance reimbursement under this section must enroll as a Minnesota
58.11 Health Care Programs provider. To qualify as a provider of carceral targeted case
58.12 management services, a provider must:

58.13 (1) have a minimum of a bachelor's degree or a license in a health or human services
58.14 field, comparable training and two years of experience in human services, or credentials
58.15 from an American Indian Tribe under section 256B.02, subdivision 7;

58.16 (2) demonstrate the capacity and experience to provide targeted case management
58.17 activities for justice-involved individuals as defined in subdivision 2;

58.18 (3) be able to coordinate and connect community resources needed by the recipient;

58.19 (4) demonstrate administrative capacity and experience to serve the justice-involved
58.20 population for which the provider will provide services and ensure quality of services under
58.21 state and federal requirements;

58.22 (5) have a financial management system that provides accurate documentation of services
58.23 and costs under state and federal requirements;

58.24 (6) demonstrate capacity to document and maintain individual case records under state
58.25 and federal requirements;

58.26 (7) demonstrate the capacity to coordinate with county administrative functions;

58.27 (8) be able to coordinate with health care providers to ensure access to necessary health
58.28 care services;

58.29 (9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted
58.30 case management service provider also provides the recipient's services and supports, (ii)
58.31 provides information on all potential conflicts of interest, (iii) obtains the recipient's informed
58.32 consent, and (iv) provides the recipient with alternatives; and

59.1 (10) demonstrate the capacity to achieve the following performance outcomes: (i) access;
 59.2 (ii) quality; and (iii) consumer satisfaction.

59.3 Subd. 6. **Medical assistance payment and rate setting.** (a) Carceral targeted case
 59.4 management rates are equal to rates authorized by the commissioner for relocation targeted
 59.5 case management under section 256B.0621, subdivision 10.

59.6 (b) The carceral targeted case management rate only includes eligible services delivered
 59.7 to an eligible recipient by an eligible provider.

59.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

59.9 Sec. 15. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
 59.10 to read:

59.11 Subd. 77. **Carceral targeted case management.** Effective January 1, 2027, or upon
 59.12 federal approval, whichever is later, medical assistance covers carceral targeted case
 59.13 management services under 256B.0619.

59.14 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 59.15 whichever is later.

59.16 Sec. 16. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
 59.17 to read:

59.18 Subd. 78. **Coordinated specialty care services.** Effective July 1, 2027, or upon federal
 59.19 approval, whichever is later, medical assistance covers coordinated specialty care services
 59.20 according to section 256B.0672.

59.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

59.22 Sec. 17. **[256B.0672] COORDINATED SPECIALTY CARE FOR THE TREATMENT**
 59.23 **OF EARLY EPISODE PSYCHOSIS.**

59.24 Subdivision 1. **Coverage.** (a) Effective July 1, 2027, or upon federal approval, whichever
 59.25 is later, medical assistance covers medically necessary coordinated specialty care services
 59.26 when the services are provided by an entity certified under and meeting the standards in
 59.27 this section.

59.28 (b) The provider entity must report individual client outcomes to the commissioner using
 59.29 instruments and protocols approved by the commissioner.

60.1 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
60.2 meanings given.

60.3 (b) "Coordinated specialty care services" means rehabilitative services that include six
60.4 core activities: (1) cognitive or behavioral psychotherapy; (2) medication management; (3)
60.5 family education and support; (4) service coordination; (5) case management; and (6)
60.6 supported employment and education.

60.7 (c) "Coordinated specialty care team" means a group of interdisciplinary mental health
60.8 staff who work as a team to provide coordinated specialty care.

60.9 (d) "Early psychosis" means clinical high-risk stage or early-stage psychotic symptoms
60.10 or psychotic episodes present in Attenuated Psychosis Syndrome and first-episode psychosis.
60.11 Psychotic symptoms may include but are not limited to combinations of confused thinking,
60.12 delusions, hallucinations, changed feelings, and changed behavior.

60.13 (e) "Mental health professional" means a staff person who is qualified according to
60.14 section 245I.04, subdivision 2.

60.15 Subd. 3. **Eligibility.** An individual who is experiencing early psychosis with a duration
60.16 of onset of less than two years and has been on antipsychotic medications for less than a
60.17 total of 12 months is eligible for coordinated specialty care services.

60.18 Subd. 4. **Eligibility exclusion.** An individual is not eligible for coordinated specialty
60.19 care services under this section if it is determined that the individual's psychotic symptoms
60.20 are attributable primarily to a:

60.21 (1) substance-induced psychotic disorder;

60.22 (2) major medical condition;

60.23 (3) neurocognitive disorder; or

60.24 (4) developmental disorder.

60.25 Subd. 5. **Provider certification requirements.** (a) The commissioner must establish a
60.26 process for the certification of coordinated specialty care teams. The certification process
60.27 must determine if a team meets the standards for coordinated specialty care services under
60.28 this section and the standards in section 245I.011, subdivision 5. The provider certification
60.29 process must include ongoing review of required program fidelity standards under subdivision
60.30 13. Recertification may occur at any time and must occur at least every three years.

60.31 (b) The coordinated specialty care services provider must have at least one team. Each
60.32 team must be certified.

- 61.1 (c) To be certified under this section, a coordinated specialty care team must:
- 61.2 (1) demonstrate capacity to recruit, hire, manage, and train required team members;
- 61.3 (2) demonstrate adequate administrative ability to ensure availability of services;
- 61.4 (3) demonstrate flexibility in service delivery to respond to the changing and intermittent
- 61.5 care needs of a client as identified by the client and the individual treatment plan as defined
- 61.6 in section 245I.10, subdivisions 7 and 8;
- 61.7 (4) keep all necessary records required by law;
- 61.8 (5) be an enrolled medical assistance provider; and
- 61.9 (6) meet all treatment team staff requirements outlined in subdivision 7.
- 61.10 (d) The commissioner must establish a process for decertification of a coordinated
- 61.11 specialty care team and must require corrective action, medical assistance repayment, or
- 61.12 decertification of a coordinated specialty care team that no longer meets the requirements
- 61.13 in this section or that fails to meet the clinical quality standards or administrative standards
- 61.14 provided by the commissioner in the application and certification process. The commissioner
- 61.15 may decertify a coordinated specialty care team with cause at any time. The decertification
- 61.16 is subject to appeal to the state.
- 61.17 **Subd. 6. Covered coordinated specialty care services. Coordinated specialty care**
- 61.18 **teams must offer and have the capacity to directly provide:**
- 61.19 (1) assertive outreach and engagement strategies to encourage involvement in services;
- 61.20 (2) assessment for underlying and contributing factors to eligibility;
- 61.21 (3) person-centered care, delivered in a home and community, extending beyond typical
- 61.22 hours of operation, including evenings and weekends;
- 61.23 (4) crisis assessment, planning, and mobile crisis response services under section
- 61.24 256B.0624;
- 61.25 (5) team leadership from a mental health professional who provides ongoing consultation
- 61.26 to the team members, coordinates admission screening, and leads the weekly team meetings
- 61.27 to facilitate case review and entry to the program;
- 61.28 (6) employment and education services designed to enable individuals to retain or
- 61.29 rehabilitate function in workplace and educational settings consistent with individual
- 61.30 preferences;

62.1 (7) family psychoeducation and support provided to the client's family and other natural
62.2 supports to restore and strengthen the client's unique social and family relationships;

62.3 (8) individual and group psychotherapy, including but not limited to cognitive behavioral
62.4 therapies;

62.5 (9) care coordination services in clinic, community, and home settings;

62.6 (10) pharmacotherapy;

62.7 (11) medication management; and

62.8 (12) primary care coordination provided by a mental health professional authorized to
62.9 prescribe psychiatric medications.

62.10 Subd. 7. **Team members.** (a) Each coordinated specialty care team must have a program
62.11 director, psychiatric care provider, supported employment and education specialist, and
62.12 case manager.

62.13 (b) Coordinated specialty care teams may have a certified peer specialist, a certified peer
62.14 recovery specialist, and a certified family peer specialist.

62.15 Subd. 8. **Program director.** The program director must be a mental health professional
62.16 or a clinical trainee qualified according to section 245I.04, subdivision 6, and a single
62.17 full-time staff member. The program director must be dedicated to the coordinated specialty
62.18 care team, responsible for overseeing the administrative operations of the team, and
62.19 responsible for supervising team members to ensure delivery of best and ethical practices.
62.20 The program director is responsible for:

62.21 (1) serving as the primary liaison for referrals to the program;

62.22 (2) performing assessment and intake interviews for potential coordinated specialty care
62.23 services clients;

62.24 (3) ensuring medical necessity has been established to support all services delivered;

62.25 (4) engaging clients and family members in treatment and during treatment;

62.26 (5) actively participating in the coordinated specialty care team and providing direct
62.27 services to clients; and

62.28 (6) ensuring that overall treatment supervision for the coordinated specialty care team
62.29 is available after regular business hours and on weekends and holidays and that services
62.30 are provided by a qualified member of the team.

62.31 Subd. 9. **Psychiatric care provider.** (a) The psychiatric care provider must:

63.1 (1) be a mental health professional qualified according to section 245I.04, subdivision
63.2 2, clause (1) or (4), who is authorized to prescribe psychiatric medications as part of the
63.3 mental health professional's scope of practice. The psychiatric care provider must have
63.4 demonstrated clinical experience working with individuals and families, including but not
63.5 limited to the population served and specifically persons experiencing psychosis.

63.6 (2) fulfill the following functions for coordinated specialty care clients:

63.7 (i) provide assessment and treatment of clients' symptoms and response to medications,
63.8 including but not limited to side effects;

63.9 (ii) provide brief therapy to clients;

63.10 (iii) provide diagnostic and medication education to clients, with medication decisions
63.11 based on shared decision making;

63.12 (iv) monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications;
63.13 and

63.14 (v) conduct home and community visits;

63.15 (3) be employed at no less than 0.20 full-time equivalent and comply with the staffing
63.16 requirements in paragraph (b); and

63.17 (4) provide psychiatric backup to the program after regular business hours and on
63.18 weekends and holidays. The psychiatric care provider may delegate this duty to another
63.19 qualified psychiatric provider.

63.20 (b) Psychiatric care providers must have designated hours to work on the coordinated
63.21 specialty care team with sufficient blocks of time on consistent days to carry out the provider's
63.22 clinical, supervisory, and administrative responsibilities. No more than two psychiatric care
63.23 providers may share the psychiatric care provider role on any one team. Backup coverage
63.24 must be arranged when the psychiatric care provider is on vacation or is unavailable for any
63.25 reason. If an individual is receiving care from a medication prescriber who is an ad hoc
63.26 member of the team or a primary care provider, the psychiatric care provider is responsible
63.27 for providing continuity of care with other medical providers, including but not limited to
63.28 the ad hoc psychiatrist, primary care provider, or advanced practice registered nurse, in the
63.29 team meetings and treatment planning.

63.30 Subd. 10. **Individual and group psychotherapy provider.** An individual or group
63.31 psychotherapy provider must:

64.1 (1) be a mental health professional qualified under section 245I.04, subdivision 2; a
 64.2 clinical trainee qualified under section 245I.04, subdivision 6; or a mental health practitioner
 64.3 qualified under section 245I.04, subdivision 4, who has prior experience with providing
 64.4 mental health services to individuals and families, particularly persons experiencing
 64.5 psychosis; and

64.6 (2) be responsible for:

64.7 (i) providing individual and group therapy or skills training; and

64.8 (ii) working with clients to identify goals, learn about symptoms and symptom
 64.9 management through social and coping skills training, receive psychoeducation, learn
 64.10 relaxation techniques, and engage in behavioral activation and other therapeutic techniques
 64.11 in both an individual and group setting.

64.12 Subd. 11. **Case manager.** A case manager must be a case management service provider
 64.13 as defined in section 245.462, subdivision 4, or 245.4871, subdivision 4, and be responsible
 64.14 for providing case management and family community support services as established in
 64.15 section 245.4711 or 245.4881.

64.16 Subd. 12. **Mental health certified peer specialist and certified family peer**
 64.17 **specialist.** (a) A coordinated specialty care team may have:

64.18 (1) a mental health certified peer specialist qualified under section 245I.04, subdivision
 64.19 10;

64.20 (2) a mental health certified family peer specialist qualified under section 245I.04,
 64.21 subdivision 12; or

64.22 (3) a certified rehabilitation specialist qualified under section 245I.04, subdivision 8.

64.23 Subd. 13. **Compliance with evidence-based practice and data reporting.** (a) A
 64.24 coordinated specialty care team must remain in compliance with fidelity standards as
 64.25 measured by a fidelity tool for the treatment of early episode psychosis approved by the
 64.26 commissioner. A team must submit data necessary to ensure fidelity with evidence-based
 64.27 practice models in a form and manner prescribed by the commissioner.

64.28 (b) A team must submit quality and outcomes data, including but not limited to client
 64.29 satisfaction data, to the commissioner on a timeline and in a form and manner prescribed
 64.30 by the commissioner.

64.31 Subd. 14. **Coordinated specialty care team variances.** The commissioner may grant
 64.32 a variance to specific requirements under this section for a coordinated specialty care team

65.1 when the coordinated specialty care team demonstrates an inability to meet the specific
65.2 requirement and how the team will ensure that the variance does not negatively impact
65.3 outcomes for clients. The commissioner may require a plan of action for the coordinated
65.4 specialty care team to come into compliance with the specific variance requirement and
65.5 establish specific time limits for the variance. A decision to grant or deny a variance request
65.6 is final and not subject to appeal.

65.7 Subd. 15. **Concurrent services.** (a) The rate for coordinated specialty care services does
65.8 not include medical assistance payment for the following services:

65.9 (1) inpatient psychiatric hospital treatment;

65.10 (2) partial hospitalization;

65.11 (3) child or adult mental health day treatment services;

65.12 (4) physician services outside of care provided by a psychiatrist serving as a member of
65.13 the treatment team;

65.14 (5) medical assistance room and board rate as defined in section 256B.056, subdivision
65.15 5d;

65.16 (6) home and community-based waiver services;

65.17 (7) mental health services identified in a child's individualized education program;

65.18 (8) child and family psychoeducation services as defined in section 256B.0671,
65.19 subdivision 5;

65.20 (9) dialectical behavior therapy as defined in section 256B.0671, subdivision 6;

65.21 (10) neuropsychological assessments as defined in section 256B.0671, subdivision 8;

65.22 (11) neuropsychological testing as defined in section 256B.0671, subdivision 9; and

65.23 (12) psychological testing as defined in section 256B.0671, subdivision 10.

65.24 (b) The services in paragraph (a) may be billed separately.

65.25 Subd. 16. **Excluded services.** The following services are not covered under this section
65.26 and are not eligible for medical assistance payment while an individual is receiving
65.27 coordinated specialty care services:

65.28 (1) mental health residential treatment, except during the last 30 days of residential
65.29 treatment to support discharge planning;

66.1 (2) children's therapeutic services and supports as defined in section 256B.0943, except
 66.2 for children's day treatment;

66.3 (3) intensive rehabilitative mental health services as defined in section 256B.0947;

66.4 (4) assertive community treatment services as defined in section 256B.0622;

66.5 (5) mental health targeted case management under section 245.4881; and

66.6 (6) mental health clinical care consultation as defined in section 256B.0671, subdivision
 66.7 7.

66.8 Subd. 17. **Payments.** The commissioner must make payments to each designated provider
 66.9 for the provision of coordinated specialty care services under subdivision 6 to each eligible
 66.10 individual under subdivision 3.

66.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

66.12 Sec. 18. Minnesota Statutes 2024, section 256B.0761, subdivision 2, is amended to read:

66.13 Subd. 2. **Eligible individuals.** ~~Notwithstanding section 256B.055, subdivision 14,~~
 66.14 Individuals are eligible to receive services under this demonstration if they are eligible under
 66.15 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the
 66.16 commissioner in collaboration with correctional facilities, local governments, and Tribal
 66.17 governments.

66.18 Sec. 19. Minnesota Statutes 2024, section 297E.02, subdivision 3, is amended to read:

66.19 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable
 66.20 to the commissioner when the gambling tax return is required to be filed. Distributors must
 66.21 file their monthly sales figures with the commissioner on a form prescribed by the
 66.22 commissioner. Returns covering the taxes imposed under this section must be filed with
 66.23 the commissioner on or before the 20th day of the month following the close of the previous
 66.24 calendar month. The commissioner shall prescribe the content, format, and manner of returns
 66.25 or other documents pursuant to section 270C.30. The proceeds, along with the revenue
 66.26 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,
 66.27 and 349.213, must be paid to the commissioner of management and budget for deposit in
 66.28 the general fund.

66.29 (b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the
 66.30 distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by

67.1 the organization is exempt from taxes imposed by chapter 297A and is exempt from all
67.2 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

67.3 (c) One-half of one percent of the revenue deposited in the general fund under paragraph
67.4 (a), is appropriated to the commissioner of human services for the compulsive gambling
67.5 treatment program established under section 245.98. One-half of one percent of the revenue
67.6 deposited in the general fund under paragraph (a), is appropriated to the commissioner of
67.7 human services for a grant to the state affiliate recognized by the National Council on
67.8 Problem Gambling to increase public awareness of problem gambling, education and training
67.9 for individuals and organizations providing effective treatment services to problem gamblers
67.10 and their families, and research relating to problem gambling. Money appropriated by this
67.11 paragraph must supplement and must not replace existing state funding for these programs.

67.12 (d) The commissioner of human services must provide to the state affiliate recognized
67.13 by the National Council on Problem Gambling a monthly statement of the amounts deposited
67.14 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must
67.15 provide to the chairs and ranking minority members of the legislative committees with
67.16 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the
67.17 National Council on Problem Gambling an annual reconciliation of the amounts deposited
67.18 under paragraph (c). The annual reconciliation under this paragraph must include the amount
67.19 allocated to the commissioner of human services for the compulsive gambling treatment
67.20 program established under section 245.98, and the amount allocated to the state affiliate
67.21 recognized by the National Council on Problem Gambling. The annual reconciliation must
67.22 also include any rollover amounts from the previous fiscal year and the utilization of those
67.23 amounts during the current reporting period.

67.24 Sec. 20. Laws 2025, First Special Session chapter 9, article 4, section 2, the effective date,
67.25 is amended to read:

67.26 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

67.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

67.28 Sec. 21. Laws 2025, First Special Session chapter 9, article 4, section 23, the effective
67.29 date, is amended to read:

67.30 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

67.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.1 Sec. 22. Laws 2025, First Special Session chapter 9, article 4, section 38, the effective
68.2 date, is amended to read:

68.3 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.5 Sec. 23. Laws 2025, First Special Session chapter 9, article 4, section 39, the effective
68.6 date, is amended to read:

68.7 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.9 Sec. 24. Laws 2025, First Special Session chapter 9, article 4, section 40, the effective
68.10 date, is amended to read:

68.11 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.13 Sec. 25. Laws 2025, First Special Session chapter 9, article 4, section 41, the effective
68.14 date, is amended to read:

68.15 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.17 Sec. 26. Laws 2025, First Special Session chapter 9, article 4, section 42, the effective
68.18 date, is amended to read:

68.19 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.21 Sec. 27. Laws 2025, First Special Session chapter 9, article 4, section 43, the effective
68.22 date, is amended to read:

68.23 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

68.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.25 Sec. 28. Laws 2025, First Special Session chapter 9, article 4, section 44, the effective
68.26 date, is amended to read:

68.27 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

69.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

69.2 Sec. 29. Laws 2025, First Special Session chapter 9, article 4, section 50, the effective
69.3 date, is amended to read:

69.4 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

69.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

69.6 Sec. 30. Laws 2025, First Special Session chapter 9, article 4, section 51, is amended to
69.7 read:

69.8 Sec. 51. **RECOVERY RESIDENCE WORK GROUP.**

69.9 (a) The commissioner of human services must convene a work group to develop
69.10 recommendations specific to recovery residences. The work group must:

69.11 (1) produce a report that examines how other states fund recovery residences, identifying
69.12 best practices and models that could be applicable to Minnesota;

69.13 (2) engage with stakeholders to ensure meaningful collaboration with key external
69.14 stakeholders on the ideas being developed that will inform the final plan and
69.15 recommendations; and

69.16 (3) create an implementable plan addressing housing needs for individuals in outpatient
69.17 substance use disorder treatment that includes:

69.18 (i) clear strategies for aligning housing models with individual treatment needs;

69.19 (ii) an assessment of funding streams, including potential federal funding sources;

69.20 (iii) a timeline for implementation with key milestones and action steps;

69.21 (iv) recommendations for future resource allocation to ensure long-term housing stability
69.22 for individuals in recovery;

69.23 (v) specific recommendations for policy or legislative changes that may be required to
69.24 support sustainable recovery housing solutions, including challenges faced by recovery
69.25 residences resulting from state and local housing regulations and ordinances; and

69.26 (vi) recommendations for potentially delegating the commissioner's recovery residence
69.27 certification duties under Minnesota Statutes, sections 254B.21 to 254B.216 to a third-party
69.28 organization.

69.29 (b) The work group must include but is not limited to:

- 70.1 (1) at least two designees from the Department of Human Services representing: (i)
 70.2 behavioral health; and (ii) homelessness and housing and support services;
- 70.3 (2) the commissioner of health or a designee;
- 70.4 (3) two people who have experience living in a recovery residence;
- 70.5 (4) representatives from at least three substance use disorder lodging facilities currently
 70.6 operating in Minnesota;
- 70.7 (5) three representatives from county social services agencies, at least one from inside
 70.8 the seven-county metropolitan area and one from outside the seven-county metropolitan
 70.9 area;
- 70.10 (6) a representative from a Tribal social services agency;
- 70.11 (7) representatives from the state affiliate of the National Alliance for Recovery
 70.12 Residences; and
- 70.13 (8) representatives from state mental health advocacy and adult mental health provider
 70.14 organizations.
- 70.15 (c) The work group must meet at least monthly and as necessary to fulfill its
 70.16 responsibilities. The commissioner of human services must provide administrative support
 70.17 and meeting space for the work group. The work group may conduct meetings remotely.
- 70.18 (d) The commissioner of human services must make appointments to the work group
 70.19 by October 1, 2025, and convene the first meeting of the work group by January 15, 2026.
- 70.20 (e) The work group must submit a final report with recommendations to the chairs and
 70.21 ranking minority members of the legislative committees with jurisdiction over health and
 70.22 human services policy and finance on or before ~~January~~ July 1, 2027 ~~2026~~.

70.23 **Sec. 31. DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE**
 70.24 **MANAGEMENT SERVICES BILLING UNITS.**

70.25 The commissioner of human services must establish a new billing code for carceral
 70.26 targeted case management services. The commissioner must identify reimbursement rates
 70.27 for the newly defined codes, as required under Minnesota Statutes, section 256B.0619,
 70.28 subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing
 70.29 codes must be available for 180 days postrelease.

70.30 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
 70.31 whichever is later.

71.1 Sec. 32. **REPEALER.**

71.2 Minnesota Statutes 2024, section 256B.055, subdivision 14, is repealed.

71.3 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
71.4 whichever is later.

71.5 ARTICLE 3

71.6 HOUSING

71.7 Section 1. Minnesota Statutes 2025 Supplement, section 245C.03, subdivision 6, is amended
71.8 to read:

71.9 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
71.10 **seniors and individuals with disabilities and providers of housing stabilization**
71.11 **services.** (a) For providers of services specified in the federally approved home and
71.12 community-based waiver plans under section 256B.4912 ~~and providers of housing~~
71.13 ~~stabilization services under section 256B.051~~, the commissioner shall conduct background
71.14 studies on any individual who is an owner with at least a five percent ownership stake in
71.15 the provider, an operator of the provider, or an employee or volunteer for the provider who
71.16 has direct contact with people receiving the services. The individual studied must meet the
71.17 requirements of this chapter prior to providing waiver services and as part of ongoing
71.18 enrollment.

71.19 (b) The requirements in paragraph (a) apply to consumer-directed community supports
71.20 under section 256B.4911.

71.21 (c) For purposes of this section, "operator" includes but is not limited to a managerial
71.22 officer who oversees the billing, management, or policies of the services provided.

71.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

71.24 Sec. 2. Minnesota Statutes 2025 Supplement, section 245C.10, subdivision 6, is amended
71.25 to read:

71.26 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
71.27 **seniors and individuals with disabilities and providers of housing stabilization**
71.28 **services.** The commissioner shall recover the cost of background studies initiated by
71.29 unlicensed home and community-based waiver providers of service to seniors and individuals
71.30 with disabilities under section 256B.4912 ~~and providers of housing stabilization services~~
71.31 ~~under section 256B.051~~ through a fee of no more than \$44 per study.

72.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

72.2 Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended
72.3 to read:

72.4 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct
72.5 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart
72.6 E. A provider must enroll each provider-controlled location where direct services are
72.7 provided. The commissioner may deny a provider's incomplete application if a provider
72.8 fails to respond to the commissioner's request for additional information within 60 days of
72.9 the request. The commissioner must conduct a background study under chapter 245C,
72.10 including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses
72.11 (1) to (5), for a provider described in this paragraph. The background study requirement
72.12 may be satisfied if the commissioner conducted a fingerprint-based background study on
72.13 the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph
72.14 (a), clauses (1) to (5).

72.15 (b) The commissioner shall revalidate:

72.16 (1) each provider under this subdivision at least once every five years;

72.17 (2) each personal care assistance agency, CFSS provider-agency, and CFSS financial
72.18 management services provider under this subdivision at least once every three years;

72.19 (3) each EIDBI agency under this subdivision at least once every three years; and

72.20 (4) at the commissioner's discretion, any medical-assistance-only provider type the
72.21 commissioner deems "high-risk" under this subdivision.

72.22 (c) The commissioner shall conduct revalidation as follows:

72.23 (1) provide 30-day notice of the revalidation due date including instructions for
72.24 revalidation and a list of materials the provider must submit;

72.25 (2) if a provider fails to submit all required materials by the due date, notify the provider
72.26 of the deficiency within 30 days after the due date and allow the provider an additional 30
72.27 days from the notification date to comply; and

72.28 (3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day
72.29 notice of termination and immediately suspend the provider's ability to bill. The provider
72.30 does not have the right to appeal suspension of ability to bill.

72.31 (d) If a provider fails to comply with any individual provider requirement or condition
72.32 of participation, the commissioner may suspend the provider's ability to bill until the provider

73.1 comes into compliance. The commissioner's decision to suspend the provider is not subject
73.2 to an administrative appeal.

73.3 (e) Correspondence and notifications, including notifications of termination and other
73.4 actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph
73.5 does not apply to correspondences and notifications related to background studies.

73.6 (f) If the commissioner or the Centers for Medicare and Medicaid Services determines
73.7 that a provider is designated "high-risk," the commissioner may withhold payment from
73.8 providers within that category upon initial enrollment for a 90-day period. The withholding
73.9 for each provider must begin on the date of the first submission of a claim.

73.10 (g) An enrolled provider that is also licensed by the commissioner under chapter 245A,
73.11 is licensed as a home care provider by the Department of Health under chapter 144A, or is
73.12 licensed as an assisted living facility under chapter 144G and has a home and
73.13 community-based services designation on the home care license under section 144A.484,
73.14 must designate an individual as the entity's compliance officer. The compliance officer
73.15 must:

73.16 (1) develop policies and procedures to assure adherence to medical assistance laws and
73.17 regulations and to prevent inappropriate claims submissions;

73.18 (2) train the employees of the provider entity, and any agents or subcontractors of the
73.19 provider entity including billers, on the policies and procedures under clause (1);

73.20 (3) respond to allegations of improper conduct related to the provision or billing of
73.21 medical assistance services, and implement action to remediate any resulting problems;

73.22 (4) use evaluation techniques to monitor compliance with medical assistance laws and
73.23 regulations;

73.24 (5) promptly report to the commissioner any identified violations of medical assistance
73.25 laws or regulations; and

73.26 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
73.27 overpayment, report the overpayment to the commissioner and make arrangements with
73.28 the commissioner for the commissioner's recovery of the overpayment.

73.29 The commissioner may require, as a condition of enrollment in medical assistance, that a
73.30 provider within a particular industry sector or category establish a compliance program that
73.31 contains the core elements established by the Centers for Medicare and Medicaid Services.

74.1 (h) The commissioner may revoke the enrollment of an ordering or rendering provider
74.2 for a period of not more than one year, if the provider fails to maintain and, upon request
74.3 from the commissioner, provide access to documentation relating to written orders or requests
74.4 for payment for durable medical equipment, certifications for home health services, or
74.5 referrals for other items or services written or ordered by such provider, when the
74.6 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
74.7 to maintain documentation or provide access to documentation on more than one occasion.
74.8 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
74.9 under the provisions of section 256B.064.

74.10 (i) The commissioner shall terminate or deny the enrollment of any individual or entity
74.11 if the individual or entity has been terminated from participation in Medicare or under the
74.12 Medicaid program or Children's Health Insurance Program of any other state. The
74.13 commissioner may exempt a rehabilitation agency from termination or denial that would
74.14 otherwise be required under this paragraph, if the agency:

74.15 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
74.16 to the Medicare program;

74.17 (2) meets all other applicable Medicare certification requirements based on an on-site
74.18 review completed by the commissioner of health; and

74.19 (3) serves primarily a pediatric population.

74.20 (j) As a condition of enrollment in medical assistance, the commissioner shall require
74.21 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and
74.22 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
74.23 Services, its agents, or its designated contractors and the state agency, its agents, or its
74.24 designated contractors to conduct unannounced on-site inspections of any provider location.
74.25 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
74.26 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
74.27 and standards used to designate Medicare providers in Code of Federal Regulations, title
74.28 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
74.29 The commissioner's designations are not subject to administrative appeal.

74.30 (k) As a condition of enrollment in medical assistance, the commissioner shall require
74.31 that a high-risk provider, or a person with a direct or indirect ownership interest in the
74.32 provider of five percent or higher, consent to criminal background checks, including
74.33 fingerprinting, when required to do so under state law or by a determination by the

75.1 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
75.2 high-risk for fraud, waste, or abuse.

75.3 (1)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable
75.4 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
75.5 meeting the durable medical equipment provider and supplier definition in clause (3),
75.6 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
75.7 annually renewed and designates the Minnesota Department of Human Services as the
75.8 obligee, and must be submitted in a form approved by the commissioner. For purposes of
75.9 this clause, the following medical suppliers are not required to obtain a surety bond: a
75.10 federally qualified health center, a home health agency, the Indian Health Service, a
75.11 pharmacy, and a rural health clinic.

75.12 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
75.13 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
75.14 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
75.15 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
75.16 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
75.17 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and
75.18 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions
75.19 from a surety bond must occur within six years from the date the debt is affirmed by a final
75.20 agency decision. An agency decision is final when the right to appeal the debt has been
75.21 exhausted or the time to appeal has expired under section 256B.064.

75.22 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
75.23 purchase medical equipment or supplies for sale or rental to the general public and is able
75.24 to perform or arrange for necessary repairs to and maintenance of equipment offered for
75.25 sale or rental.

75.26 (m) The Department of Human Services may require a provider to purchase a surety
75.27 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
75.28 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
75.29 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
75.30 provider or category of providers is designated high-risk pursuant to paragraph (f) and as
75.31 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an
75.32 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
75.33 immediately preceding 12 months, whichever is greater. The surety bond must name the
75.34 Department of Human Services as an obligee and must allow for recovery of costs and fees
75.35 in pursuing a claim on the bond. This paragraph does not apply if the provider currently

76.1 maintains a surety bond under the requirements in section ~~256B.051~~, 256B.0659, 256B.0701,
76.2 or 256B.85.

76.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.4 Sec. 4. Minnesota Statutes 2024, section 256B.0658, is amended to read:

76.5 **256B.0658 HOUSING ACCESS GRANTS.**

76.6 (a) The commissioner of human services shall award through a competitive process
76.7 contracts for grants to public and private agencies to support and assist individuals with a
76.8 disability ~~as defined in section 256B.051, subdivision 2, paragraph (e)~~, to access housing.
76.9 For the purposes of this section, "individual with a disability" means an individual who:

76.10 (1) is aged, blind, or disabled as determined by the criteria used by the title II program
76.11 of the Social Security Act, United States Code, title 42, section 416; or

76.12 (2) meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a),
76.13 clause (1), (4) to (8), or (13).

76.14 (b) Grants may be awarded to agencies that may include, but are not limited to, the
76.15 following supports: assessment to ensure suitability of housing, accompanying an individual
76.16 to look at housing, filling out applications and rental agreements, meeting with landlords,
76.17 helping with Section 8 or other program applications, helping to develop a budget, obtaining
76.18 furniture and household goods, if necessary, and assisting with any problems that may arise
76.19 with housing.

76.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.21 Sec. 5. Minnesota Statutes 2024, section 256L.03, subdivision 1, is amended to read:

76.22 Subdivision 1. **Covered health services.** (a) "Covered health services" means the health
76.23 services reimbursed under chapter 256B, with the exception of special education services,
76.24 home care nursing services, nonemergency medical transportation services, personal care
76.25 assistance and case management services, community first services and supports under
76.26 section 256B.85, behavioral health home services under section 256B.0757, ~~housing~~
76.27 ~~stabilization services under section 256B.051~~, and nursing home or intermediate care facilities
76.28 services.

76.29 (b) Covered health services shall be expanded as provided in this section.

76.30 (c) For the purposes of covered health services under this section, "child" means an
76.31 individual younger than 19 years of age.

77.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

77.2 Sec. 6. **HOUSING STABILIZATION SERVICES REDESIGN.**

77.3 Subdivision 1. **Direction to commissioner.** The commissioner of human services must
 77.4 develop recommendations for designing and implementing a program to support individuals
 77.5 experiencing or at risk of homelessness to obtain and maintain safe, stable housing.

77.6 Subd. 2. **Recommendations.** Recommendations developed by the commissioner must:

77.7 (1) prioritize establishing a housing services benefit specifically for Minnesota Tribal
 77.8 governments and urban Indian organizations;

77.9 (2) utilize evidence-based and promising practices to prevent and reduce homelessness;

77.10 (3) identify a gap in available housing services and supports and not duplicate an existing
 77.11 program;

77.12 (4) identify expected outcomes and measures that could be used to track effectiveness;

77.13 (5) incorporate tools and system changes necessary to protect program integrity and
 77.14 prevent fraud, waste, and abuse; and

77.15 (6) include proposed statutory changes and state appropriations that would be necessary
 77.16 to implement the program.

77.17 Subd. 3. **Community engagement.** In developing recommendations, the commissioner
 77.18 must consult with the legislature, other state agencies, Tribal Nations, and community
 77.19 partners, including counties, providers, health plans, and people experiencing or at risk of
 77.20 homelessness.

77.21 Subd. 4. **Legislative report.** By September 15, 2027, the commissioner must present
 77.22 final recommendations and draft legislation to establish a housing services benefit specifically
 77.23 for Tribal governments and urban Indian organizations and a statewide housing services
 77.24 benefit to the chairs and ranking minority members of the legislative committees with
 77.25 jurisdiction over health and human services policy and finance.

77.26 Sec. 7. **REPEALER.**

77.27 (a) Minnesota Statutes 2024, section 256B.051, subdivisions 1, 4, and 7, is repealed.

77.28 (b) Minnesota Statutes 2025 Supplement, section 256B.051, subdivisions 2, 3, 5, 6, 6a,
 77.29 6b, 8, 9, and 10, is repealed.

77.30 (c) Laws 2025, First Special Session chapter 3, article 18, section 3, is repealed.

78.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

78.2 **ARTICLE 4**

78.3 **DEPARTMENT OF HUMAN SERVICES OFFICE OF INSPECTOR GENERAL**

78.4 Section 1. **[245A.034] LICENSEE CONDUCT TOWARD PUBLIC OFFICIALS.**

78.5 (a) Applicants, license holders, certification holders, and controlling individuals must
 78.6 refrain from engaging in conduct that threatens the safety or well-being of Department of
 78.7 Human Services staff, county employees, or other individuals acting under the authority of
 78.8 the commissioner for duties authorized under this chapter, chapter 260E, and section 626.557.

78.9 Prohibited conduct includes but is not limited to:

78.10 (1) assault, including attempts, under sections 609.221, 609.222, 609.223, 609.2231,
 78.11 and 609.224, regardless of whether there is a criminal proceeding or conviction;

78.12 (2) threats of violence under section 609.713, regardless of whether there is a criminal
 78.13 proceeding or conviction;

78.14 (3) harassment or stalking under section 609.749, regardless of whether there is a criminal
 78.15 proceeding or conviction;

78.16 (4) damage to property under section 609.595, regardless of whether there is a criminal
 78.17 proceeding or conviction; or

78.18 (5) any other act with the intent to cause harm to personal safety.

78.19 (b) If the commissioner determines that conduct prohibited by paragraph (a) occurred
 78.20 to an individual engaged in licensing, certification, investigation, or compliance activities,
 78.21 the commissioner may take action under sections 245A.05, 245A.06, or 245A.07.

78.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

78.23 Sec. 2. Minnesota Statutes 2025 Supplement, section 245A.07, subdivision 3, is amended
 78.24 to read:

78.25 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
 78.26 or revoke a license, or impose a fine if:

78.27 (1) a license holder fails to comply fully with applicable laws or rules including but not
 78.28 limited to the requirements of this chapter and chapter 245C;

79.1 (2) a license holder, a controlling individual, or an individual living in the household
79.2 where the licensed services are provided or is otherwise subject to a background study has
79.3 been disqualified and the disqualification was not set aside and no variance has been granted;

79.4 (3) a license holder knowingly withholds relevant information from or gives false or
79.5 misleading information to the commissioner in connection with an application for a license,
79.6 in connection with the background study status of an individual, during an investigation,
79.7 or regarding compliance with applicable laws or rules;

79.8 (4) a license holder is excluded from any program administered by the commissioner
79.9 under section 245.095;

79.10 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

79.11 (6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

79.12 A license holder who has had a license issued under this chapter suspended, revoked,
79.13 or has been ordered to pay a fine must be given notice of the action by certified mail, by
79.14 personal service, or through the provider licensing and reporting hub. If mailed, the notice
79.15 must be mailed to the address shown on the application or the last known address of the
79.16 license holder. The notice must state in plain language the reasons the license was suspended
79.17 or revoked, or a fine was ordered.

79.18 (b) If the license was suspended or revoked, the notice must inform the license holder
79.19 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
79.20 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
79.21 a license. The appeal of an order suspending or revoking a license must be made in writing
79.22 by certified mail, by personal service, or through the provider licensing and reporting hub.
79.23 If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar
79.24 days after the license holder receives notice that the license has been suspended or revoked.
79.25 If a request is made by personal service, it must be received by the commissioner within
79.26 ten calendar days after the license holder received the order. If the order is issued through
79.27 the provider hub, the appeal must be received by the commissioner within ten calendar days
79.28 from the date the commissioner issued the order through the hub. Except as provided in
79.29 subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order
79.30 suspending or revoking a license, the license holder may continue to operate the program
79.31 as provided in section 245A.04, subdivision 7, paragraphs (i) and (j), until the commissioner
79.32 issues a final order on the suspension or revocation.

79.33 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
79.34 holder of the responsibility for payment of fines and the right to a contested case hearing

80.1 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
80.2 order to pay a fine must be made in writing by certified mail, by personal service, or through
80.3 the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent
80.4 to the commissioner within ten calendar days after the license holder receives notice that
80.5 the fine has been ordered. If a request is made by personal service, it must be received by
80.6 the commissioner within ten calendar days after the license holder received the order. If the
80.7 order is issued through the provider hub, the appeal must be received by the commissioner
80.8 within ten calendar days from the date the commissioner issued the order through the hub.

80.9 (2) The license holder shall pay the fines assessed on or before the payment date specified.
80.10 If the license holder fails to fully comply with the order, the commissioner may issue a
80.11 second fine or suspend the license until the license holder complies. If the license holder
80.12 receives state funds, the state, county, or municipal agencies or departments responsible for
80.13 administering the funds shall withhold payments and recover any payments made while the
80.14 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
80.15 until the commissioner issues a final order.

80.16 (3) A license holder shall promptly notify the commissioner of human services, in writing,
80.17 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
80.18 commissioner determines that a violation has not been corrected as indicated by the order
80.19 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
80.20 the license holder by certified mail, by personal service, or through the provider licensing
80.21 and reporting hub that a second fine has been assessed. The license holder may appeal the
80.22 second fine as provided under this subdivision.

80.23 (4) Fines shall be assessed as follows:

80.24 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
80.25 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
80.26 for which the license holder is determined responsible for the maltreatment under section
80.27 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

80.28 (ii) if the commissioner determines that a determination of maltreatment for which the
80.29 license holder is responsible is the result of maltreatment that meets the definition of serious
80.30 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
80.31 \$5,000;

80.32 (iii) the license holder shall forfeit ~~\$200~~ \$500 for each occurrence of a violation of law
80.33 or rule governing matters of health, safety, or supervision, including but not limited to the

81.1 provision of adequate staff-to-child or adult ratios, and failure to comply with background
81.2 study requirements under chapter 245C; and

81.3 (iv) the license holder shall forfeit ~~\$100~~ \$300 for each occurrence of a violation of law
81.4 or rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iii).

81.5 For purposes of this section, "occurrence" means each violation identified in the
81.6 commissioner's fine order. Fines assessed against a license holder that holds a license to
81.7 provide home and community-based services, as identified in section 245D.03, subdivision
81.8 1, and a community residential setting or day services facility license under chapter 245D
81.9 where the services are provided, may be assessed against both licenses for the same
81.10 occurrence, but the combined amount of the fines shall not exceed the amount specified in
81.11 this clause for that occurrence.

81.12 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
81.13 selling, or otherwise transferring the licensed program to a third party. In such an event, the
81.14 license holder will be personally liable for payment. In the case of a corporation, each
81.15 controlling individual is personally and jointly liable for payment.

81.16 (d) Except for background study violations involving the failure to comply with an order
81.17 to immediately remove an individual or an order to provide continuous, direct supervision,
81.18 the commissioner shall not issue a fine under paragraph (c) relating to a background study
81.19 violation to a license holder who self-corrects a background study violation before the
81.20 commissioner discovers the violation. A license holder who has previously exercised the
81.21 provisions of this paragraph to avoid a fine for a background study violation may not avoid
81.22 a fine for a subsequent background study violation unless at least 365 days have passed
81.23 since the license holder self-corrected the earlier background study violation.

81.24 Sec. 3. Minnesota Statutes 2025 Supplement, section 256.01, subdivision 2, is amended
81.25 to read:

81.26 Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2,
81.27 the commissioner of human services shall carry out the specific duties in paragraphs (a)
81.28 through (z):

81.29 (a) Administer and supervise the forms of public assistance provided for by state law
81.30 and other welfare activities or services that are vested in the commissioner. Administration
81.31 and supervision of human services activities or services includes, but is not limited to,
81.32 assuring timely and accurate distribution of benefits, completeness of service, and quality

82.1 program management. In addition to administering and supervising human services activities
82.2 vested by law in the department, the commissioner shall have the authority to:

82.3 (1) require county agency participation in training and technical assistance programs to
82.4 promote compliance with statutes, rules, federal laws, regulations, and policies governing
82.5 human services;

82.6 (2) monitor, on an ongoing basis, the performance of county agencies in the operation
82.7 and administration of human services, enforce compliance with statutes, rules, federal laws,
82.8 regulations, and policies governing welfare services and promote excellence of administration
82.9 and program operation;

82.10 (3) develop a quality control program or other monitoring program to review county
82.11 performance and accuracy of benefit determinations;

82.12 (4) require county agencies to make an adjustment to the public assistance benefits issued
82.13 to any individual consistent with federal law and regulation and state law and rule and to
82.14 issue or recover benefits as appropriate;

82.15 (5) delay or deny payment of all or part of the state and federal share of benefits and
82.16 administrative reimbursement according to the procedures set forth in section 256.017;

82.17 (6) make contracts with and grants to public and private agencies and organizations,
82.18 both profit and nonprofit, and individuals, using appropriated funds; and

82.19 (7) enter into contractual agreements with federally recognized Indian Tribes with a
82.20 reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved
82.21 family assistance program or any other program under the supervision of the commissioner.
82.22 The commissioner shall consult with the affected county or counties in the contractual
82.23 agreement negotiations, if the county or counties wish to be included, in order to avoid the
82.24 duplication of county and Tribal assistance program services. The commissioner may
82.25 establish necessary accounts for the purposes of receiving and disbursing funds as necessary
82.26 for the operation of the programs.

82.27 The commissioner shall work in conjunction with the commissioner of children, youth, and
82.28 families to carry out the duties of this paragraph when necessary and feasible.

82.29 (b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law,
82.30 regulation, and policy necessary to county agency administration of the programs.

82.31 (c) Administer and supervise all noninstitutional service to persons with disabilities,
82.32 including persons who have vision impairments, and persons who are deaf, deafblind, and
82.33 hard-of-hearing or with other disabilities. The commissioner may provide and contract for

83.1 the care and treatment of qualified indigent children in facilities other than those located
83.2 and available at state hospitals operated by the executive board when it is not feasible to
83.3 provide the service in state hospitals operated by the executive board.

83.4 (d) Assist and actively cooperate with other departments, agencies and institutions, local,
83.5 state, and federal, by performing services in conformity with the purposes of Laws 1939,
83.6 chapter 431.

83.7 (e) Act as the agent of and cooperate with the federal government in matters of mutual
83.8 concern relative to and in conformity with the provisions of Laws 1939, chapter 431,
83.9 including the administration of any federal funds granted to the state to aid in the performance
83.10 of any functions of the commissioner as specified in Laws 1939, chapter 431, and including
83.11 the promulgation of rules making uniformly available medical care benefits to all recipients
83.12 of public assistance, at such times as the federal government increases its participation in
83.13 assistance expenditures for medical care to recipients of public assistance, the cost thereof
83.14 to be borne in the same proportion as are grants of aid to said recipients.

83.15 (f) Establish and maintain any administrative units reasonably necessary for the
83.16 performance of administrative functions common to all divisions of the department.

83.17 (g) Act as designated guardian of both the estate and the person of all the wards of the
83.18 state of Minnesota, whether by operation of law or by an order of court, without any further
83.19 act or proceeding whatever, except as to persons committed as developmentally disabled.

83.20 (h) Act as coordinating referral and informational center on requests for service for
83.21 newly arrived immigrants coming to Minnesota.

83.22 (i) The specific enumeration of powers and duties as hereinabove set forth shall in no
83.23 way be construed to be a limitation upon the general transfer of powers herein contained.

83.24 (j) Establish county, regional, or statewide schedules of maximum fees and charges
83.25 which may be paid by county agencies for medical, dental, surgical, hospital, nursing and
83.26 nursing home care and medicine and medical supplies under all programs of medical care
83.27 provided by the state and for congregate living care under the income maintenance programs.

83.28 (k) Have the authority to conduct and administer experimental projects to test methods
83.29 and procedures of administering assistance and services to recipients or potential recipients
83.30 of public welfare. To carry out such experimental projects, it is further provided that the
83.31 commissioner of human services is authorized to waive the enforcement of existing specific
83.32 statutory program requirements, rules, and standards in one or more counties. The order
83.33 establishing the waiver shall provide alternative methods and procedures of administration,

84.1 shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and
84.2 in no event shall the duration of a project exceed four years. It is further provided that no
84.3 order establishing an experimental project as authorized by the provisions of this section
84.4 shall become effective until the following conditions have been met:

84.5 (1) the United States Secretary of Health and Human Services has agreed, for the same
84.6 project, to waive state plan requirements relative to statewide uniformity; and

84.7 (2) a comprehensive plan, including estimated project costs, shall be approved by the
84.8 Legislative Advisory Commission and filed with the commissioner of administration.

84.9 (l) According to federal requirements and in coordination with the commissioner of
84.10 children, youth, and families, establish procedures to be followed by local welfare boards
84.11 in creating citizen advisory committees, including procedures for selection of committee
84.12 members.

84.13 (m) Allocate federal fiscal disallowances or sanctions which are based on quality control
84.14 error rates for medical assistance in the following manner:

84.15 (1) one-half of the total amount of the disallowance shall be borne by the county boards
84.16 responsible for administering the programs. Disallowances shall be shared by each county
84.17 board in the same proportion as that county's expenditures for the sanctioned program are
84.18 to the total of all counties' expenditures for medical assistance. Each county shall pay its
84.19 share of the disallowance to the state of Minnesota. When a county fails to pay the amount
84.20 due hereunder, the commissioner may deduct the amount from reimbursement otherwise
84.21 due the county, or the attorney general, upon the request of the commissioner, may institute
84.22 civil action to recover the amount due; and

84.23 (2) notwithstanding the provisions of clause (1), if the disallowance results from knowing
84.24 noncompliance by one or more counties with a specific program instruction, and that knowing
84.25 noncompliance is a matter of official county board record, the commissioner may require
84.26 payment or recover from the county or counties, in the manner prescribed in clause (1), an
84.27 amount equal to the portion of the total disallowance which resulted from the noncompliance,
84.28 and may distribute the balance of the disallowance according to clause (1).

84.29 (n) Develop and implement special projects that maximize reimbursements and result
84.30 in the recovery of money to the state. For the purpose of recovering state money, the
84.31 commissioner may enter into contracts with third parties. Any recoveries that result from
84.32 projects or contracts entered into under this paragraph shall be deposited in the state treasury
84.33 and credited to a special account until the balance in the account reaches \$1,000,000. When
84.34 the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited

85.1 to the general fund. All money in the account is appropriated to the commissioner for the
85.2 purposes of this paragraph.

85.3 (o) Have the authority to establish and enforce the following county reporting
85.4 requirements:

85.5 (1) the commissioner shall establish fiscal and statistical reporting requirements necessary
85.6 to account for the expenditure of funds allocated to counties for human services programs.
85.7 When establishing financial and statistical reporting requirements, the commissioner shall
85.8 evaluate all reports, in consultation with the counties, to determine if the reports can be
85.9 simplified or the number of reports can be reduced;

85.10 (2) the county board shall submit monthly or quarterly reports to the department as
85.11 required by the commissioner. Monthly reports are due no later than 15 working days after
85.12 the end of the month. Quarterly reports are due no later than 30 calendar days after the end
85.13 of the quarter, unless the commissioner determines that the deadline must be shortened to
85.14 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss
85.15 of federal funding. Only reports that are complete, legible, and in the required format shall
85.16 be accepted by the commissioner;

85.17 (3) if the required reports are not received by the deadlines established in clause (2), the
85.18 commissioner may delay payments and withhold funds from the county board until the next
85.19 reporting period. When the report is needed to account for the use of federal funds and the
85.20 late report results in a reduction in federal funding, the commissioner shall withhold from
85.21 the county boards with late reports an amount equal to the reduction in federal funding until
85.22 full federal funding is received;

85.23 (4) a county board that submits reports that are late, illegible, incomplete, or not in the
85.24 required format for two out of three consecutive reporting periods is considered
85.25 noncompliant. When a county board is found to be noncompliant, the commissioner shall
85.26 notify the county board of the reason the county board is considered noncompliant and
85.27 request that the county board develop a corrective action plan stating how the county board
85.28 plans to correct the problem. The corrective action plan must be submitted to the
85.29 commissioner within 45 days after the date the county board received notice of
85.30 noncompliance;

85.31 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year after
85.32 the date the report was originally due. If the commissioner does not receive a report by the
85.33 final deadline, the county board forfeits the funding associated with the report for that

86.1 reporting period and the county board must repay any funds associated with the report
86.2 received for that reporting period;

86.3 (6) the commissioner may not delay payments, withhold funds, or require repayment
86.4 under clause (3) or (5) if the county demonstrates that the commissioner failed to provide
86.5 appropriate forms, guidelines, and technical assistance to enable the county to comply with
86.6 the requirements. If the county board disagrees with an action taken by the commissioner
86.7 under clause (3) or (5), the county board may appeal the action according to sections 14.57
86.8 to 14.69; and

86.9 (7) counties subject to withholding of funds under clause (3) or forfeiture or repayment
86.10 of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover
86.11 costs incurred due to actions taken by the commissioner under clause (3) or (5).

86.12 (p) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal
86.13 fiscal disallowances or sanctions are based on a statewide random sample in direct proportion
86.14 to each county's claim for that period.

86.15 (q) Be responsible for ensuring the detection, prevention, investigation, and resolution
86.16 of fraudulent activities or behavior by applicants, recipients, and other participants in the
86.17 human services programs administered by the department, including but not limited to a
86.18 preenrollment risk assessment. A preenrollment risk assessment under this paragraph must
86.19 be conducted in accordance with the procedures and criteria established in section 256B.04,
86.20 subdivision 21a.

86.21 (r) Require county agencies to identify overpayments, establish claims, and utilize all
86.22 available and cost-beneficial methodologies to collect and recover these overpayments in
86.23 the human services programs administered by the department.

86.24 (s) Have the authority to administer the federal drug rebate program for drugs purchased
86.25 under the medical assistance program as allowed by section 1927 of title XIX of the Social
86.26 Security Act and according to the terms and conditions of section 1927. Rebates shall be
86.27 collected for all drugs that have been dispensed or administered in an outpatient setting and
86.28 that are from manufacturers who have signed a rebate agreement with the United States
86.29 Department of Health and Human Services.

86.30 (t) Have the authority to administer a supplemental drug rebate program for drugs
86.31 purchased under the medical assistance program. The commissioner may enter into
86.32 supplemental rebate contracts with pharmaceutical manufacturers and may require prior
86.33 authorization for drugs that are from manufacturers that have not signed a supplemental

87.1 rebate contract. Prior authorization of drugs shall be subject to the provisions of section
87.2 256B.0625, subdivision 13.

87.3 (u) Operate the department's communication systems account established in Laws 1993,
87.4 First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared
87.5 communication costs necessary for the operation of the programs the commissioner
87.6 supervises. Each account must be used to manage shared communication costs necessary
87.7 for the operations of the programs the commissioner supervises. The commissioner may
87.8 distribute the costs of operating and maintaining communication systems to participants in
87.9 a manner that reflects actual usage. Costs may include acquisition, licensing, insurance,
87.10 maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit
87.11 organizations and state, county, and local government agencies involved in the operation
87.12 of programs the commissioner supervises may participate in the use of the department's
87.13 communications technology and share in the cost of operation. The commissioner may
87.14 accept on behalf of the state any gift, bequest, devise or personal property of any kind, or
87.15 money tendered to the state for any lawful purpose pertaining to the communication activities
87.16 of the department. Any money received for this purpose must be deposited in the department's
87.17 communication systems accounts. Money collected by the commissioner for the use of
87.18 communication systems must be deposited in the state communication systems account and
87.19 is appropriated to the commissioner for purposes of this section.

87.20 (v) Receive any federal matching money that is made available through the medical
87.21 assistance program for the consumer satisfaction survey. Any federal money received for
87.22 the survey is appropriated to the commissioner for this purpose. The commissioner may
87.23 expend the federal money received for the consumer satisfaction survey in either year of
87.24 the biennium.

87.25 (w) Designate community information and referral call centers and incorporate cost
87.26 reimbursement claims from the designated community information and referral call centers
87.27 into the federal cost reimbursement claiming processes of the department according to
87.28 federal law, rule, and regulations. Existing information and referral centers provided by
87.29 Greater Twin Cities United Way or existing call centers for which Greater Twin Cities
87.30 United Way has legal authority to represent, shall be included in these designations upon
87.31 review by the commissioner and assurance that these services are accredited and in
87.32 compliance with national standards. Any reimbursement is appropriated to the commissioner
87.33 and all designated information and referral centers shall receive payments according to
87.34 normal department schedules established by the commissioner upon final approval of

88.1 allocation methodologies from the United States Department of Health and Human Services
88.2 Division of Cost Allocation or other appropriate authorities.

88.3 (x) Develop recommended standards for adult foster care homes that address the
88.4 components of specialized therapeutic services to be provided by adult foster care homes
88.5 with those services.

88.6 (y) Authorize the method of payment to or from the department as part of the human
88.7 services programs administered by the department. This authorization includes the receipt
88.8 or disbursement of funds held by the department in a fiduciary capacity as part of the human
88.9 services programs administered by the department.

88.10 (z) Designate the agencies that operate the Senior LinkAge Line under section 256.975,
88.11 subdivision 7, and the Disability Hub under subdivision 24 as the state of Minnesota Aging
88.12 and Disability Resource Center under United States Code, title 42, section 3001, the Older
88.13 Americans Act Amendments of 2006, and incorporate cost reimbursement claims from the
88.14 designated centers into the federal cost reimbursement claiming processes of the department
88.15 according to federal law, rule, and regulations. Any reimbursement must be appropriated
88.16 to the commissioner and treated consistent with section 256.011. All Aging and Disability
88.17 Resource Center designated agencies shall receive payments of grant funding that supports
88.18 the activity and generates the federal financial participation according to Board on Aging
88.19 administrative granting mechanisms.

88.20 Sec. 4. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended
88.21 to read:

88.22 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct
88.23 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart
88.24 E. A provider must enroll each provider-controlled location where direct services are
88.25 provided. The commissioner may deny a provider's incomplete application if a provider
88.26 fails to respond to the commissioner's request for additional information within 60 days of
88.27 the request. The commissioner must conduct a background study under chapter 245C,
88.28 including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses
88.29 (1) to (5), for a provider described in this paragraph. The background study requirement
88.30 may be satisfied if the commissioner conducted a fingerprint-based background study on
88.31 the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph
88.32 (a), clauses (1) to (5).

88.33 (b) The commissioner shall revalidate:

89.1 (1) each provider under this subdivision at least once every five years;

89.2 (2) each personal care assistance agency, CFSS provider-agency, and CFSS financial
89.3 management services provider under this subdivision at least once every three years;

89.4 (3) each EIDBI agency under this subdivision at least once every three years; and

89.5 (4) at the commissioner's discretion, any medical-assistance-only provider type the
89.6 commissioner deems "high-risk" under this subdivision.

89.7 (c) The commissioner shall conduct revalidation as follows:

89.8 (1) provide 30-day notice of the revalidation due date including instructions for
89.9 revalidation and a list of materials the provider must submit; and

89.10 ~~(2) if a provider fails to submit all required materials by the due date, notify the provider~~
89.11 ~~of the deficiency within 30 days after the due date and allow the provider an additional 30~~
89.12 ~~days from the notification date to comply; and~~

89.13 ~~(3)~~ (2) if a provider fails to respond or remedy a deficiency within the 30-day time period,
89.14 give 60-day notice of termination and immediately suspend the provider's ability to bill.
89.15 The provider does not have the right to appeal suspension of ability to bill.

89.16 (d) If a provider fails to comply with any individual provider requirement or condition
89.17 of participation, the commissioner may suspend the provider's ability to bill until the provider
89.18 comes into compliance. The commissioner's decision to suspend the provider is not subject
89.19 to an administrative appeal.

89.20 (e) Correspondence and notifications, including notifications of termination and other
89.21 actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph
89.22 does not apply to correspondences and notifications related to background studies.

89.23 (f) If the commissioner or the Centers for Medicare and Medicaid Services determines
89.24 that a provider is designated "high-risk," the commissioner may withhold payment from
89.25 providers within that category upon initial enrollment for a 90-day period. The withholding
89.26 for each provider must begin on the date of the first submission of a claim.

89.27 (g) An enrolled provider that is also licensed by the commissioner under chapter 245A,
89.28 is licensed as a home care provider by the Department of Health under chapter 144A, or is
89.29 licensed as an assisted living facility under chapter 144G and has a home and
89.30 community-based services designation on the home care license under section 144A.484,
89.31 must designate an individual as the entity's compliance officer. The compliance officer
89.32 must:

90.1 (1) develop policies and procedures to assure adherence to medical assistance laws and
90.2 regulations and to prevent inappropriate claims submissions;

90.3 (2) train the employees of the provider entity, and any agents or subcontractors of the
90.4 provider entity including billers, on the policies and procedures under clause (1);

90.5 (3) respond to allegations of improper conduct related to the provision or billing of
90.6 medical assistance services, and implement action to remediate any resulting problems;

90.7 (4) use evaluation techniques to monitor compliance with medical assistance laws and
90.8 regulations;

90.9 (5) promptly report to the commissioner any identified violations of medical assistance
90.10 laws or regulations; and

90.11 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
90.12 overpayment, report the overpayment to the commissioner and make arrangements with
90.13 the commissioner for the commissioner's recovery of the overpayment.

90.14 The commissioner may require, as a condition of enrollment in medical assistance, that a
90.15 provider within a particular industry sector or category establish a compliance program that
90.16 contains the core elements established by the Centers for Medicare and Medicaid Services.

90.17 (h) The commissioner may revoke the enrollment of an ordering or rendering provider
90.18 for a period of not more than one year, if the provider fails to maintain and, upon request
90.19 from the commissioner, provide access to documentation relating to written orders or requests
90.20 for payment for durable medical equipment, certifications for home health services, or
90.21 referrals for other items or services written or ordered by such provider, when the
90.22 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
90.23 to maintain documentation or provide access to documentation on more than one occasion.
90.24 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
90.25 under the provisions of section 256B.064.

90.26 (i) The commissioner shall terminate or deny the enrollment of any individual or entity
90.27 if the individual or entity has been terminated from participation in Medicare or under the
90.28 Medicaid program or Children's Health Insurance Program of any other state. The
90.29 commissioner may exempt a rehabilitation agency from termination or denial that would
90.30 otherwise be required under this paragraph, if the agency:

90.31 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
90.32 to the Medicare program;

91.1 (2) meets all other applicable Medicare certification requirements based on an on-site
91.2 review completed by the commissioner of health; and

91.3 (3) serves primarily a pediatric population.

91.4 (j) As a condition of enrollment in medical assistance, the commissioner shall require
91.5 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and
91.6 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
91.7 Services, its agents, or its designated contractors and the state agency, its agents, or its
91.8 designated contractors to conduct unannounced on-site inspections of any provider location.
91.9 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
91.10 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
91.11 and standards used to designate Medicare providers in Code of Federal Regulations, title
91.12 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
91.13 The commissioner's designations are not subject to administrative appeal.

91.14 (k) As a condition of enrollment in medical assistance, the commissioner shall require
91.15 that a high-risk provider, or a person with a direct or indirect ownership interest in the
91.16 provider of five percent or higher, consent to criminal background checks, including
91.17 fingerprinting, when required to do so under state law or by a determination by the
91.18 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
91.19 high-risk for fraud, waste, or abuse.

91.20 (l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable
91.21 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
91.22 meeting the durable medical equipment provider and supplier definition in clause (3),
91.23 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
91.24 annually renewed and designates the Minnesota Department of Human Services as the
91.25 obligee, and must be submitted in a form approved by the commissioner. For purposes of
91.26 this clause, the following medical suppliers are not required to obtain a surety bond: a
91.27 federally qualified health center, a home health agency, the Indian Health Service, a
91.28 pharmacy, and a rural health clinic.

91.29 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
91.30 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
91.31 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
91.32 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
91.33 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
91.34 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and

92.1 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions
 92.2 from a surety bond must occur within six years from the date the debt is affirmed by a final
 92.3 agency decision. An agency decision is final when the right to appeal the debt has been
 92.4 exhausted or the time to appeal has expired under section 256B.064.

92.5 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
 92.6 purchase medical equipment or supplies for sale or rental to the general public and is able
 92.7 to perform or arrange for necessary repairs to and maintenance of equipment offered for
 92.8 sale or rental.

92.9 (m) The Department of Human Services may require a provider to purchase a surety
 92.10 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
 92.11 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
 92.12 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
 92.13 provider or category of providers is designated high-risk pursuant to paragraph (f) and as
 92.14 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an
 92.15 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
 92.16 immediately preceding 12 months, whichever is greater. The surety bond must name the
 92.17 Department of Human Services as an obligee and must allow for recovery of costs and fees
 92.18 in pursuing a claim on the bond. This paragraph does not apply if the provider currently
 92.19 maintains a surety bond under the requirements in section 256B.051, 256B.0659, 256B.0701,
 92.20 or 256B.85.

92.21 Sec. 5. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision to
 92.22 read:

92.23 Subd. 21a. **Preenrollment assessment.** (a) Before enrolling a provider or agency, the
 92.24 commissioner may complete a preenrollment risk assessment of the provider or agency
 92.25 seeking to enroll to confirm the provider or agency's eligibility and the provider or agency's
 92.26 ability to meet the requirements of this chapter. The commissioner must utilize a risk-score
 92.27 framework as a component of the assessment that identifies service-specific fraud risk
 92.28 indicators, including but not limited to organizational readiness, financial stability,
 92.29 compliance history, and addressing service necessity.

92.30 (b) Based on the assessment of fraud risk indicators described in paragraph (a), the
 92.31 commissioner may deem the applicant ineligible and deny or rescind enrollment. The
 92.32 decision to deny or rescind enrollment must be made in writing and sent using a
 92.33 signature-verified confirmed delivery method. An applicant may request reconsideration
 92.34 of the decision regarding the applicant's eligibility in writing within 30 business days after

93.1 the date the notice was issued. The commissioner must notify each applicant of the
 93.2 commissioner's final decision regarding the applicant's eligibility.

93.3 (c) This subdivision is effective July 1, 2026. A provider enrolled before July 1, 2026,
 93.4 that billed for services on or after January 1, 2025, must receive a positive preenrollment
 93.5 risk assessment no later than July 1, 2027, to remain eligible. A provider or agency enrolled
 93.6 before July 1, 2026, that has not billed for services on or after January 1, 2025, must receive
 93.7 a positive preenrollment risk assessment no later than July 1, 2026, to remain eligible. A
 93.8 provider that becomes ineligible under this paragraph regains eligibility after receiving a
 93.9 positive assessment under this subdivision if the provider remains otherwise eligible.

93.10 **Sec. 6. [256B.0647] REMITTANCE ADVICE MONETARY RECOVERY.**

93.11 (a) The commissioner may use the remittance advice process under Code of Federal
 93.12 Regulations, title 45, part 162.1601, as the notice to a vendor or provider when seeking
 93.13 monetary recovery using a department-administered information technology system for
 93.14 programmatically processed claims. The remittance advice must be delivered electronically
 93.15 and constitutes the sole notice to the provider. The commissioner must withhold the payments
 93.16 at issue when using the remittance advice as the notice.

93.17 (b) Providers may seek reconsideration of a remittance under this section by mailing a
 93.18 request to the commissioner. The reconsideration request must be received no later than 30
 93.19 calendar days from the posting of the remittance advice. A request for reconsideration does
 93.20 not stay the withholding of payments. The commissioner's disposition of a request for
 93.21 reconsideration is final and not subject to appeal under chapter 14. The request for
 93.22 reconsideration must include:

93.23 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
 93.24 involved for each disputed item;

93.25 (2) the calculation that the individual or entity believes is correct;

93.26 (3) the authority in statute or rule upon which the individual or entity relies for each
 93.27 disputed item;

93.28 (4) the name and address of the person or entity with whom contacts may be made
 93.29 regarding the appeal; and

93.30 (5) other information required by the commissioner.

94.1 **ARTICLE 5**

94.2 **UNIFORM SERVICE STANDARDS**

94.3 Section 1. Minnesota Statutes 2024, section 245.735, subdivision 6, is amended to read:

94.4 Subd. 6. **Section 223 of the Protecting Access to Medicare Act entities.** ~~(a) The~~
 94.5 ~~commissioner must request federal approval to participate in the demonstration program~~
 94.6 ~~established by section 223 of the Protecting Access to Medicare Act and, if approved, to~~
 94.7 ~~continue to participate in the demonstration program as long as federal funding for the~~
 94.8 ~~demonstration program remains available from the United States Department of Health and~~
 94.9 ~~Human Services. To the extent practicable, the commissioner shall align the requirements~~
 94.10 ~~of the demonstration program with the requirements under this section for CCBHCs receiving~~
 94.11 ~~medical assistance reimbursement under the authority of the state's Medicaid state plan. A~~
 94.12 ~~CCBHC may not apply to participate as a billing provider in both the CCBHC federal~~
 94.13 ~~demonstration and the benefit for CCBHCs under the medical assistance program.~~

94.14 ~~(b) The commissioner must follow federal payment guidance, including payment of the~~
 94.15 ~~CCBHC daily bundled rate for services rendered by CCBHCs to individuals who are dually~~
 94.16 ~~eligible for Medicare and medical assistance when Medicare is the primary payer for the~~
 94.17 ~~service. Services provided by a CCBHC operating under the authority of the state's Medicaid~~
 94.18 ~~state plan will not receive the prospective payment system rate for services rendered by~~
 94.19 ~~CCBHCs to individuals who are dually eligible for Medicare and medical assistance when~~
 94.20 ~~Medicare is the primary payer for the service.~~

94.21 ~~(e) Payment for services rendered by CCBHCs to individuals who have commercial~~
 94.22 ~~insurance as the primary payer and medical assistance as secondary payer is subject to the~~
 94.23 ~~requirements under section 256B.37. Services provided by a CCBHC operating under the~~
 94.24 ~~authority of the 223 demonstration or the state's Medicaid state plan will not receive the~~
 94.25 ~~prospective payment system rate for services rendered by CCBHCs to individuals who have~~
 94.26 ~~commercial insurance as the primary payer and medical assistance as the secondary payer.~~

94.27 Sec. 2. Minnesota Statutes 2025 Supplement, section 245A.03, subdivision 2, is amended
 94.28 to read:

94.29 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

94.30 (1) residential or nonresidential programs that are provided to a person by an individual
 94.31 who is related;

94.32 (2) nonresidential programs that are provided by an unrelated individual to persons from
 94.33 a single related family;

- 95.1 (3) residential or nonresidential programs that are provided to adults who do not misuse
95.2 substances or have a substance use disorder, a mental illness, a developmental disability, a
95.3 functional impairment, or a physical disability;
- 95.4 (4) sheltered workshops or work activity programs that are certified by the commissioner
95.5 of employment and economic development;
- 95.6 (5) programs operated by a public school for children 33 months or older;
- 95.7 (6) nonresidential programs primarily for children that provide care or supervision for
95.8 periods of less than three hours a day while the child's parent or legal guardian is in the
95.9 same building as the nonresidential program or present within another building that is
95.10 directly contiguous to the building in which the nonresidential program is located;
- 95.11 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
95.12 under section 245A.02;
- 95.13 (8) board and lodge facilities licensed by the commissioner of health that do not provide
95.14 children's residential services under Minnesota Rules, chapter 2960, mental health or
95.15 substance use disorder treatment;
- 95.16 (9) programs licensed by the commissioner of corrections;
- 95.17 (10) recreation programs for children or adults that are operated or approved by a park
95.18 and recreation board whose primary purpose is to provide social and recreational activities;
- 95.19 (11) noncertified boarding care homes unless they provide services for five or more
95.20 persons whose primary diagnosis is mental illness or a developmental disability;
- 95.21 (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art
95.22 programs, and nonresidential programs for children provided for a cumulative total of less
95.23 than 30 days in any 12-month period;
- 95.24 (13) residential programs for persons with mental illness, that are located in hospitals;
- 95.25 (14) camps licensed by the commissioner of health under Minnesota Rules, chapter
95.26 4630;
- 95.27 (15) mental health outpatient services for adults with mental illness or children with
95.28 mental illness, except for programs under section 245A.044;
- 95.29 (16) residential programs serving school-age children whose sole purpose is cultural or
95.30 educational exchange, until the commissioner adopts appropriate rules;

96.1 (17) community support services programs as defined in section 245.462, subdivision
96.2 6, and family community support services as defined in section 245.4871, subdivision 17;

96.3 (18) assisted living facilities licensed by the commissioner of health under chapter 144G;

96.4 (19) substance use disorder treatment activities of licensed professionals in private
96.5 practice as defined in section 245G.01, subdivision 17;

96.6 (20) consumer-directed community support service funded under the Medicaid waiver
96.7 for persons with developmental disabilities when the individual who provided the service
96.8 is:

96.9 (i) the same individual who is the direct payee of these specific waiver funds or paid by
96.10 a fiscal agent, fiscal intermediary, or employer of record; and

96.11 (ii) not otherwise under the control of a residential or nonresidential program that is
96.12 required to be licensed under this chapter when providing the service;

96.13 (21) a county that is an eligible vendor under section 254B.0501 to provide care
96.14 coordination and comprehensive assessment services;

96.15 (22) a recovery community organization that is an eligible vendor under section
96.16 254B.0501 to provide peer recovery support services; or

96.17 (23) programs licensed by the commissioner of children, youth, and families in chapter
96.18 142B.

96.19 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
96.20 building in which a nonresidential program is located if it shares a common wall with the
96.21 building in which the nonresidential program is located or is attached to that building by
96.22 skyway, tunnel, atrium, or common roof.

96.23 (c) Except for the home and community-based services identified in section 245D.03,
96.24 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
96.25 provided and funded according to an approved federal waiver plan where licensure is
96.26 specifically identified as not being a condition for the services and funding.

96.27 **EFFECTIVE DATE.** This section is effective January 1, 2028.

96.28 Sec. 3. **[245A.044] LICENSED NONRESIDENTIAL BEHAVIORAL HEALTH**
96.29 **SERVICES.**

96.30 **Subdivision 1. License required for certain nonresidential behavioral health**
96.31 **services.** (a) Beginning January 1, 2028, behavioral health service providers providing

97.1 mental health and substance use disorder services must obtain a license under this chapter
97.2 to provide:

97.3 (1) adult rehabilitative mental health services under section 245I.22;

97.4 (2) children's therapeutic services and supports in the community under section 245I.30
97.5 and children's day treatment under section 245I.31;

97.6 (3) crisis response services under section 245I.24; and

97.7 (4) certified community behavioral health clinic services under section 245I.17.

97.8 (b) As a condition of licensure, an applicant or license holder must demonstrate and
97.9 maintain verification of compliance with:

97.10 (1) licensing requirements under this chapter and chapter 245I; and

97.11 (2) applicable health care program requirements under Minnesota Rules, parts 9505.0170
97.12 to 9505.0475 and 9505.2160 to 9505.2245.

97.13 Subd. 2. **Implementation.** (a) Beginning July 1, 2027, the commissioner shall begin
97.14 issuing licenses to behavioral health service providers listed in subdivision 1. The
97.15 commissioner shall transition certified providers listed in subdivision 1 into licensure with
97.16 a phased-in schedule determined by the commissioner. The commissioner shall communicate
97.17 the schedule of implementation to providers certified under section 245I.011 at least three
97.18 months before the application is made available.

97.19 (b) Applicants for licensure must have an approved certification under section 245I.011
97.20 at least 90 days before the date of application.

97.21 (c) A provider's certification under section 245I.011, subdivision 5, paragraph (a), clauses
97.22 (2) to (4), or 6, paragraph (b), expires when the commissioner issues a decision on the
97.23 provider's license application.

97.24 (d) Upon licensure, a license holder must notify clients and staff of policies and
97.25 procedures outlined in the application.

97.26 (e) Notwithstanding paragraphs (a) and (c), subdivision 1, and sections 245I.17, 245I.22,
97.27 245I.24, 245I.30, and 245I.31, a provider listed under subdivision 1, paragraph (a), clauses
97.28 (1) to (4), and certified under section 245I.011 may continue operating past January 1, 2028,
97.29 until the commissioner issues a licensing decision if the provider submitted an application
97.30 before January 1, 2028.

98.1 (f) The commissioner must disenroll a provider from reimbursement for nonresidential
 98.2 behavioral health services under the following sections if the provider fails to submit an
 98.3 application for licensure within the time frame in paragraph (b):

98.4 (1) adult rehabilitative mental health services under section 256B.0623;

98.5 (2) crisis response services under section 256B.0624;

98.6 (3) children's therapeutic services and supports under section 256B.0943; and

98.7 (4) certified community behavioral health clinics under section 256B.0625, subdivision
 98.8 5m.

98.9 (g) The commissioner must disenroll a provider listed in paragraph (f) from medical
 98.10 assistance if:

98.11 (1) the application has been denied or the license has been suspended or revoked; and

98.12 (2) the provider appealed the application denial or the license suspension or revocation,
 98.13 and the commissioner issued a final order on the appeal affirming the action.

98.14 **EFFECTIVE DATE.** This section is effective July 1, 2026.

98.15 Sec. 4. Minnesota Statutes 2025 Supplement, section 245A.10, subdivision 3, is amended
 98.16 to read:

98.17 Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in
 98.18 paragraphs (c) ~~and~~, (d), and (f), for fees required under subdivision 1, an applicant for an
 98.19 initial license or certification issued by the commissioner shall submit a \$2,100 application
 98.20 fee with each new application required under this subdivision. The application fee shall not
 98.21 be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that
 98.22 expires on December 31. The commissioner shall not process an application until the
 98.23 application fee is paid.

98.24 (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide
 98.25 services at a specific location.

98.26 (c) For a license to provide home and community-based services to persons with
 98.27 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
 98.28 to provide services statewide. For fees required under subdivision 1, an applicant for an
 98.29 initial license issued by the commissioner to provide home and community-based services
 98.30 under chapter 245D shall submit a \$4,200 application fee with each new application.

99.1 (d) For fees required under subdivision 1, an applicant for an initial license or certification
 99.2 issued by the commissioner for children's residential facility ~~or mental health clinic licensure~~
 99.3 ~~or certification~~ shall submit a \$500 application fee with each new application required under
 99.4 this subdivision.

99.5 (e) For fees required under subdivision 1, an applicant for an initial certification issued
 99.6 by the commissioner for mental health clinic certification shall submit a \$2,100 application
 99.7 fee with each new application required under this subdivision.

99.8 (f) For fees required under subdivision 1, an applicant for an initial license issued by
 99.9 the commissioner to provide services at a certified community behavioral health clinic under
 99.10 section 245I.17 shall submit a \$4,200 application fee with each new application.

99.11 Sec. 5. Minnesota Statutes 2025 Supplement, section 245A.10, subdivision 4, is amended
 99.12 to read:

99.13 Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed
 99.14 to provide one or more of the home and community-based services and supports identified
 99.15 under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual
 99.16 nonrefundable license fee based on revenues derived from the provision of services that
 99.17 would require licensure under chapter 245D during the calendar year immediately preceding
 99.18 the year in which the license fee is paid, according to the following schedule:

99.19	License Holder Annual Revenue	License Fee
99.20	less than or equal to \$10,000	\$250
99.21	greater than \$10,000 but less than or	
99.22	equal to \$25,000	\$375
99.23	greater than \$25,000 but less than or	
99.24	equal to \$50,000	\$500
99.25	greater than \$50,000 but less than or	
99.26	equal to \$100,000	\$625
99.27	greater than \$100,000 but less than or	
99.28	equal to \$150,000	\$750
99.29	greater than \$150,000 but less than or	
99.30	equal to \$200,000	\$1,000
99.31	greater than \$200,000 but less than or	
99.32	equal to \$250,000	\$1,250
99.33	greater than \$250,000 but less than or	
99.34	equal to \$300,000	\$1,500
99.35	greater than \$300,000 but less than or	
99.36	equal to \$350,000	\$1,750
99.37	greater than \$350,000 but less than or	
99.38	equal to \$400,000	\$2,000

100.1	greater than \$400,000 but less than or	
100.2	equal to \$450,000	\$2,250
100.3	greater than \$450,000 but less than or	
100.4	equal to \$500,000	\$2,500
100.5	greater than \$500,000 but less than or	
100.6	equal to \$600,000	\$2,850
100.7	greater than \$600,000 but less than or	
100.8	equal to \$700,000	\$3,200
100.9	greater than \$700,000 but less than or	
100.10	equal to \$800,000	\$3,600
100.11	greater than \$800,000 but less than or	
100.12	equal to \$900,000	\$3,900
100.13	greater than \$900,000 but less than or	
100.14	equal to \$1,000,000	\$4,250
100.15	greater than \$1,000,000 but less than or	
100.16	equal to \$1,250,000	\$4,550
100.17	greater than \$1,250,000 but less than or	
100.18	equal to \$1,500,000	\$4,900
100.19	greater than \$1,500,000 but less than or	
100.20	equal to \$1,750,000	\$5,200
100.21	greater than \$1,750,000 but less than or	
100.22	equal to \$2,000,000	\$5,500
100.23	greater than \$2,000,000 but less than or	
100.24	equal to \$2,500,000	\$5,900
100.25	greater than \$2,500,000 but less than or	
100.26	equal to \$3,000,000	\$6,200
100.27	greater than \$3,000,000 but less than or	
100.28	equal to \$3,500,000	\$6,500
100.29	greater than \$3,500,000 but less than or	
100.30	equal to \$4,000,000	\$7,200
100.31	greater than \$4,000,000 but less than or	
100.32	equal to \$4,500,000	\$7,800
100.33	greater than \$4,500,000 but less than or	
100.34	equal to \$5,000,000	\$9,000
100.35	greater than \$5,000,000 but less than or	
100.36	equal to \$7,500,000	\$10,000
100.37	greater than \$7,500,000 but less than or	
100.38	equal to \$10,000,000	\$14,000
100.39	greater than \$10,000,000 but less than or	
100.40	equal to \$12,500,000	\$18,000
100.41	greater than \$12,500,000 but less than or	
100.42	equal to \$15,000,000	\$25,000
100.43	greater than \$15,000,000 but less than or	
100.44	equal to \$17,500,000	\$28,000
100.45	greater than \$17,500,000 but less than	
100.46	\$20,000,000	\$32,000

101.1	greater than \$20,000,000 but less than	
101.2	\$25,000,000	\$36,000
101.3	greater than \$25,000,000 but less than	
101.4	\$30,000,000	\$45,000
101.5	greater than \$30,000,000 but less than	
101.6	\$35,000,000	\$55,000
101.7	greater than \$35,000,000	\$75,000

101.8 (2) If requested, the license holder shall provide the commissioner information to verify
 101.9 the license holder's annual revenues or other information as needed, including copies of
 101.10 documents submitted to the Department of Revenue.

101.11 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
 101.12 and not provide annual revenue information to the commissioner.

101.13 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
 101.14 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
 101.15 of double the fee the provider should have paid.

101.16 (b) A substance use disorder treatment program licensed under chapter 245G, to provide
 101.17 substance use disorder treatment shall pay an annual nonrefundable license fee based on
 101.18 the following schedule:

101.19	Licensed Capacity	License Fee
101.20	1 to 24 persons	\$2,600
101.21	25 to 49 persons	\$3,000
101.22	50 to 74 persons	\$5,000
101.23	75 to 99 persons	\$10,000
101.24	100 to 199 persons	\$15,000
101.25	200 or more persons	\$20,000

101.26 (c) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
 101.27 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
 101.28 an annual nonrefundable license fee based on the following schedule:

101.29	Licensed Capacity	License Fee
101.30	1 to 24 persons	\$2,600
101.31	25 to 49 persons	\$3,000
101.32	50 or more persons	\$5,000

101.33 A detoxification program that also operates a withdrawal management program at the same
 101.34 location shall only pay one fee based upon the licensed capacity of the program with the
 101.35 higher overall capacity.

102.1 (d) A children's residential facility licensed under Minnesota Rules, chapter 2960, to
 102.2 serve children shall pay an annual nonrefundable license fee based on the following schedule:

102.3	Licensed Capacity	License Fee
102.4	1 to 24 persons	\$1,000
102.5	25 to 49 persons	\$1,100
102.6	50 to 74 persons	\$1,200
102.7	75 to 99 persons	\$1,300
102.8	100 or more persons	\$1,400

102.9 (e) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
 102.10 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
 102.11 nonrefundable license fee based on the following schedule:

102.12	Licensed Capacity	License Fee
102.13	1 to 24 persons	\$2,600
102.14	25 to 49 persons	\$3,000
102.15	50 or more persons	\$20,000

102.16 (f) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400,
 102.17 to serve persons with physical disabilities shall pay an annual nonrefundable license fee
 102.18 based on the following schedule:

102.19	Licensed Capacity	License Fee
102.20	1 to 24 persons	\$450
102.21	25 to 49 persons	\$650
102.22	50 to 74 persons	\$850
102.23	75 to 99 persons	\$1,050
102.24	100 or more persons	\$1,250

102.25 (g) A program licensed as an adult day care center licensed under Minnesota Rules,
 102.26 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
 102.27 following schedule:

102.28	Licensed Capacity	License Fee
102.29	1 to 24 persons	\$2,600
102.30	25 to 49 persons	\$3,000
102.31	50 to 74 persons	\$5,000
102.32	75 to 99 persons	\$10,000
102.33	100 to 199 persons	\$15,000
102.34	200 or more persons	\$20,000

103.1 (h) A program licensed to provide treatment services to persons with sexual psychopathic
103.2 personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to
103.3 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

103.4 (i) A mental health clinic certified under section 245I.20 shall pay an annual
103.5 nonrefundable certification fee of ~~\$1,550~~ \$3,000. If the mental health clinic provides services
103.6 at a primary location with satellite facilities, the satellite facilities shall be certified with the
103.7 primary location without an additional charge.

103.8 ~~(j) If a program subject to annual fees under paragraph (b) provides services at a primary~~
103.9 ~~location with satellite facilities, the satellite facilities must be licensed with the primary~~
103.10 ~~location and must be subject to an additional \$500 annual nonrefundable license fee per~~
103.11 ~~satellite facility.~~

103.12 (j) A program licensed to provide behavioral health treatment services licensed under
103.13 section 245I.22, 245I.24, 245I.30, or 245I.31 shall pay an annual nonrefundable license fee
103.14 of \$3,000 for each license.

103.15 (k) Certified community behavioral health clinics licensed under section 245I.17 shall
103.16 pay an annual nonrefundable license fee of \$7,800.

103.17 Sec. 6. Minnesota Statutes 2024, section 245A.10, is amended by adding a subdivision to
103.18 read:

103.19 Subd. 4a. Fees for satellite locations. (a) If a program subject to annual fees under
103.20 subdivision 4, paragraph (b), provides services at a primary location with satellite facilities,
103.21 the satellite facilities are licensed with the primary location and are subject to an additional
103.22 \$500 annual nonrefundable license fee per satellite facility.

103.23 (b) If a program subject to annual fees under subdivision 4, paragraph (j), provides
103.24 services at a primary location with satellite sites or facilities, the satellite locations must be
103.25 licensed with the primary location and shall pay an additional annual nonrefundable fee
103.26 according to the following schedule:

103.27 (1) one to five satellite locations: \$1,500;

103.28 (2) six to 19 satellite locations: \$3,500; or

103.29 (3) 20 or more satellite locations: \$5,000.

104.1 Sec. 7. Minnesota Statutes 2024, section 245A.65, subdivision 1a, is amended to read:

104.2 Subd. 1a. **Determination of vulnerable adult status.** (a) A license holder that provides
104.3 services to adults who are excluded from the definition of vulnerable adult under section
104.4 626.5572, subdivision 21, paragraph (a), clause (2), must determine whether the person is
104.5 a vulnerable adult under section 626.5572, subdivision 21, paragraph (a), clause (4). This
104.6 determination must be made within 24 hours of:

104.7 (1) admission to the licensed program; and

104.8 (2) any incident that:

104.9 (i) was reported under section 626.557; or

104.10 (ii) would have been required to be reported under section 626.557, if one or more of
104.11 the adults involved in the incident had been vulnerable adults.

104.12 (b) Upon determining that a person receiving services is a vulnerable adult under section
104.13 626.5572, subdivision 21, paragraph (a), clause (4), all requirements relative to vulnerable
104.14 adults under this chapter and section 626.557 must be met by the license holder.

104.15 (c) Notwithstanding paragraph (a), clause (1), a license holder providing mobile crisis
104.16 services must make a determination within 24 hours of first receiving crisis stabilization
104.17 services under section 245I.24, subdivision 9.

104.18 Sec. 8. Minnesota Statutes 2024, section 245C.03, subdivision 1, is amended to read:

104.19 Subdivision 1. **Programs licensed by the commissioner.** (a) The commissioner shall
104.20 conduct a background study on:

104.21 (1) the person or persons applying for a license;

104.22 (2) an individual age 13 and over living in the household where the licensed program
104.23 will be provided who is not receiving licensed services from the program;

104.24 (3) current or prospective employees of the applicant or license holder who will have
104.25 direct contact with persons served by the facility, agency, or program;

104.26 (4) volunteers or student volunteers who will have direct contact with persons served
104.27 by the program to provide program services if the contact is not under the continuous, direct
104.28 supervision by an individual listed in clause (1) or (3);

104.29 (5) an individual age ten to 12 living in the household where the licensed services will
104.30 be provided when the commissioner has reasonable cause as defined in section 245C.02,
104.31 subdivision 15;

105.1 (6) an individual who, without providing direct contact services at a licensed program,
105.2 may have unsupervised access to children or vulnerable adults receiving services from a
105.3 program, when the commissioner has reasonable cause as defined in section 245C.02,
105.4 subdivision 15; and

105.5 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

105.6 (8) notwithstanding clause (3), for children's residential facilities and foster residence
105.7 settings, any adult working in the facility, whether or not the individual will have direct
105.8 contact with persons served by the facility.

105.9 (b) For child foster care when the license holder resides in the home where foster care
105.10 services are provided, a short-term substitute caregiver providing direct contact services for
105.11 a child for less than 72 hours of continuous care is not required to receive a background
105.12 study under this chapter.

105.13 (c) This subdivision applies to the following programs that must be licensed under
105.14 chapter 245A:

105.15 (1) adult foster care;

105.16 (2) children's residential facilities;

105.17 (3) licensed home and community-based services under chapter 245D;

105.18 (4) residential mental health programs for adults;

105.19 (5) substance use disorder treatment programs under chapter 245G;

105.20 (6) withdrawal management programs under chapter 245F;

105.21 (7) adult day care centers;

105.22 (8) family adult day services;

105.23 (9) detoxification programs;

105.24 (10) community residential settings;

105.25 (11) intensive residential treatment services and residential crisis stabilization under
105.26 chapter 245I; ~~and~~

105.27 (12) treatment programs for persons with sexual psychopathic personality or sexually
105.28 dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts
105.29 9515.3000 to 9515.3110; 2

105.30 (13) adult rehabilitative mental health services under chapter 245I;

- 106.1 (14) certified community behavioral health clinic services under chapter 245I;
106.2 (15) children's therapeutic services and supports under chapter 245I; and
106.3 (16) crisis response services under chapter 245I.

106.4 Sec. 9. Minnesota Statutes 2025 Supplement, section 245C.13, subdivision 2, is amended
106.5 to read:

106.6 Subd. 2. **Activities pending completion of background study.** The subject of a
106.7 background study may not perform any activity requiring a background study under
106.8 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

106.9 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

106.10 (1) a notice of the study results under section 245C.17 stating that:

106.11 (i) the individual is not disqualified; or

106.12 (ii) more time is needed to complete the study but the individual is not required to be
106.13 removed from direct contact or access to people receiving services prior to completion of
106.14 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice
106.15 that more time is needed to complete the study must also indicate whether the individual is
106.16 required to be under continuous direct supervision prior to completion of the background
106.17 study. When more time is necessary to complete a background study of an individual
106.18 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,
106.19 the individual may not work in the facility or setting regardless of whether or not the
106.20 individual is supervised;

106.21 (2) a notice that a disqualification has been set aside under section 245C.23; or

106.22 (3) a notice that a variance has been granted related to the individual under section
106.23 245C.30.

106.24 (b) For a background study affiliated with a licensed child care center or certified
106.25 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
106.26 must not be issued until the commissioner receives a qualifying result for the individual for
106.27 the fingerprint-based national criminal history record check or the fingerprint-based criminal
106.28 history information from the Bureau of Criminal Apprehension. The notice must require
106.29 the individual to be under continuous direct supervision prior to completion of the remainder
106.30 of the background study except as permitted in subdivision 3.

106.31 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

- 107.1 (1) being issued a license;
- 107.2 (2) living in the household where the licensed program will be provided;
- 107.3 (3) providing direct contact services to persons served by a program unless the subject
107.4 is under continuous direct supervision;
- 107.5 (4) having access to persons receiving services if the background study was completed
107.6 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
107.7 (5), or (6), unless the subject is under continuous direct supervision;
- 107.8 (5) for licensed child care centers and certified license-exempt child care centers,
107.9 providing direct contact services to persons served by the program;
- 107.10 (6) for children's residential facilities or foster residence settings, working in the facility
107.11 or setting;
- 107.12 (7) for background studies affiliated with a personal care provider organization, except
107.13 as provided in section 245C.03, subdivision 3b, early intensive developmental and behavioral
107.14 intervention provider, or adult rehabilitative mental health services provider, before a
107.15 ~~personal care assistant~~ an individual provides services, the ~~personal care assistance provider~~
107.16 ~~agency entity~~ must initiate a background study of the ~~personal care assistant~~ individual
107.17 under this chapter and the ~~personal care assistance provider agency entity~~ must have received
107.18 a notice from the commissioner that the ~~personal care assistant~~ individual is:
- 107.19 (i) not disqualified under section 245C.14; or
- 107.20 (ii) disqualified, but the personal care assistant has received a set aside of the
107.21 disqualification under section 245C.22; or
- 107.22 (8) for background studies affiliated with an early intensive developmental and behavioral
107.23 intervention provider, before an individual provides services, the early intensive
107.24 developmental and behavioral intervention provider must initiate a background study for
107.25 the individual under this chapter and the early intensive developmental and behavioral
107.26 intervention provider must have received a notice from the commissioner that the individual
107.27 is:
- 107.28 (i) not disqualified under section 245C.14; or
- 107.29 (ii) disqualified, but the individual has received a set-aside of the disqualification under
107.30 section 245C.22.

108.1 Sec. 10. Minnesota Statutes 2025 Supplement, section 245C.16, subdivision 1, is amended
108.2 to read:

108.3 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines
108.4 that the individual studied has a disqualifying characteristic, the commissioner shall review
108.5 the information immediately available and make a determination as to the subject's immediate
108.6 risk of harm to persons served by the program where the individual studied will have direct
108.7 contact with, or access to, people receiving services.

108.8 (b) The commissioner shall consider all relevant information available, including the
108.9 following factors in determining the immediate risk of harm:

108.10 (1) the recency of the disqualifying characteristic;

108.11 (2) the recency of discharge from probation for the crimes;

108.12 (3) the number of disqualifying characteristics;

108.13 (4) the intrusiveness or violence of the disqualifying characteristic;

108.14 (5) the vulnerability of the victim involved in the disqualifying characteristic;

108.15 (6) the similarity of the victim to the persons served by the program where the individual
108.16 studied will have direct contact;

108.17 (7) whether the individual has a disqualification from a previous background study that
108.18 has not been set aside;

108.19 (8) if the individual has a disqualification which may not be set aside because it is a
108.20 permanent bar under section 245C.24, subdivision 1, or the individual is a child care
108.21 background study subject who has a felony-level conviction for a drug-related offense in
108.22 the last five years, the commissioner may order the immediate removal of the individual
108.23 from any position allowing direct contact with, or access to, persons receiving services from
108.24 the program and from working in a children's residential facility or foster residence setting;
108.25 and

108.26 (9) if the individual has a disqualification which may not be set aside because it is a
108.27 permanent bar under section 245C.24, subdivision 2, or the individual is a child care
108.28 background study subject who has a felony-level conviction for a drug-related offense during
108.29 the last five years, the commissioner may order the immediate removal of the individual
108.30 from any position allowing direct contact with or access to persons receiving services from
108.31 the center and from working in a licensed child care center or certified license-exempt child
108.32 care center.

109.1 (c) This section does not apply when the subject of a background study is regulated by
 109.2 a health-related licensing board as defined in chapter 214, and the subject is determined to
 109.3 be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

109.4 (d) This section does not apply to a background study related to an initial application
 109.5 for a child foster family setting license.

109.6 (e) Except for paragraph (f), this section does not apply to a background study that is
 109.7 also subject to the requirements under section ~~256B.0659, subdivisions 11 and 13, for a~~
 109.8 ~~personal care assistant or a qualified professional as defined in section 256B.0659,~~
 109.9 ~~subdivision 1, or to a background study for an individual providing early intensive~~
 109.10 ~~developmental and behavioral intervention services under section 256B.0949~~ 245C.13,
 109.11 subdivision 2, paragraph (c), clause (7).

109.12 (f) If the commissioner has reason to believe, based on arrest information or an active
 109.13 maltreatment investigation, that an individual poses an imminent risk of harm to persons
 109.14 receiving services, the commissioner may order that the person be continuously supervised
 109.15 or immediately removed pending the conclusion of the maltreatment investigation or criminal
 109.16 proceedings.

109.17 Sec. 11. Minnesota Statutes 2024, section 245G.03, subdivision 1, is amended to read:

109.18 Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance
 109.19 use disorder treatment must comply with the general requirements in section 626.557;
 109.20 chapters 245A, 245C, and 260E; and Minnesota Rules, chapter 9544.

109.21 (b) The commissioner may grant variances to the requirements in this chapter that do
 109.22 not affect the client's health or safety if the conditions in section 245A.04, subdivision 9,
 109.23 are met.

109.24 (c) If a program is licensed according to this chapter and is part of a certified community
 109.25 behavioral health clinic under section ~~245.735~~ 245I.17, the license holder must comply with
 109.26 the requirements in section ~~245.735~~ 245I.17, subdivisions ~~4b to 4e~~ 12 and 13, as part of the
 109.27 licensing requirements under this chapter.

109.28 Sec. 12. Minnesota Statutes 2024, section 245I.011, subdivision 3, is amended to read:

109.29 Subd. 3. **Certification required.** (a) An individual, organization, or government entity
 109.30 that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause
 109.31 ~~(12)~~ (15), and chooses to be identified as a certified mental health clinic must:

109.32 (1) be a mental health clinic that is certified under section 245I.20;

110.1 (2) comply with all of the responsibilities assigned to a license holder by this chapter
110.2 except subdivision 1; and

110.3 (3) comply with all of the responsibilities assigned to a certification holder by chapter
110.4 245A.

110.5 (b) An individual, organization, or government entity described by this subdivision must
110.6 obtain a criminal background study for each staff person or volunteer who provides direct
110.7 contact services to clients.

110.8 ~~(c) If a clinic is certified according to this chapter and is part of a certified community~~
110.9 ~~behavioral health clinic under section 245.735, the license holder must comply with the~~
110.10 ~~requirements in section 245.735, subdivisions 4b to 4e, as part of the licensing requirements~~
110.11 ~~under this chapter.~~

110.12 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
110.13 the amendment striking paragraph (c) is effective January 1, 2028.

110.14 Sec. 13. Minnesota Statutes 2024, section 245I.011, subdivision 5, is amended to read:

110.15 Subd. 5. **Programs certified under chapter 256B.** (a) An individual, organization, or
110.16 government entity certified under the following sections must comply with all of the
110.17 responsibilities assigned to a license holder under this chapter except subdivision 1:

110.18 (1) an assertive community treatment provider under section 256B.0622, subdivision
110.19 3a;

110.20 ~~(2) an adult rehabilitative mental health services provider under section 256B.0623;~~

110.21 ~~(3) a mobile crisis team under section 256B.0624;~~

110.22 ~~(4) a children's therapeutic services and supports provider under section 256B.0943;~~

110.23 ~~(5)~~ (2) a children's intensive behavioral health services provider under section 256B.0946;

110.24 and

110.25 ~~(6)~~ (3) an intensive nonresidential rehabilitative mental health services provider under
110.26 section 256B.0947.

110.27 (b) An individual, organization, or government entity certified under the sections listed
110.28 in paragraph (a), ~~clauses (1) to (6)~~, must obtain a criminal background study for each staff
110.29 person and volunteer providing direct contact services to a client.

110.30 **EFFECTIVE DATE.** This section is effective January 1, 2028.

111.1 Sec. 14. Minnesota Statutes 2024, section 245I.011, is amended by adding a subdivision
111.2 to read:

111.3 Subd. 6. License required for nonresidential programs. (a) Beginning January 1,
111.4 2028, an individual, organization, or government entity must have a license under this
111.5 chapter to provide the following services:

111.6 (1) adult rehabilitative mental health services, as defined in section 256B.0623;

111.7 (2) mobile crisis services, as defined in section 256B.0624; or

111.8 (3) children's therapeutic services and supports, as defined in section 256B.0943;

111.9 (4) certified community behavioral health clinic services, as defined in sections 245I.17
111.10 and 256B.0625, subdivision 5m.

111.11 (b) An individual, organization, or government entity certified as any of the following
111.12 programs shall remain certified according to subdivision 5 until the commissioner issues a
111.13 license, the commissioner denies the license application, or the certification expires according
111.14 to chapter 245A:

111.15 (1) an adult rehabilitative mental health services provider under section 256B.0623;

111.16 (2) a mobile crisis team under section 256B.0624;

111.17 (3) a children's therapeutic services and supports provider under section 256B.0943; or

111.18 (4) a certified community behavioral health clinic under section 245.735.

111.19 Sec. 15. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision
111.20 to read:

111.21 Subd. 1a. Alcohol and drug counselor "Alcohol and drug counselor" means an individual
111.22 qualified under section 245G.11, subdivision 5.

111.23 Sec. 16. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision
111.24 to read:

111.25 Subd. 10a. Comprehensive evaluation. "Comprehensive evaluation" means a
111.26 person-centered, family-centered, and trauma-informed evaluation conducted according to
111.27 section 245I.17, subdivision 12.

112.1 Sec. 17. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision
112.2 to read:

112.3 Subd. 18a. **Initial evaluation.** "Initial evaluation" means the assessment and preliminary
112.4 diagnosis necessary to begin client services and conducted according to section 245I.17.

112.5 Sec. 18. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision
112.6 to read:

112.7 Subd. 31a. **Psychotherapy.** "Psychotherapy" has the meaning given in section 256B.0671,
112.8 subdivision 11.

112.9 Sec. 19. Minnesota Statutes 2024, section 245I.02, subdivision 33, is amended to read:

112.10 Subd. 33. **Rehabilitative mental health services.** "Rehabilitative mental health services"
112.11 means mental health services provided to ~~an adult~~ a client that enable the client to develop
112.12 and achieve psychiatric stability, social competencies, personal and emotional adjustment,
112.13 independent living skills, family roles, and community skills when symptoms of mental
112.14 illness has impaired any of the client's abilities in these areas. Rehabilitation mental health
112.15 services include interventions that allow a client to self-monitor, compensate for, counteract,
112.16 or replace psychosocial skills deficits or maladaptive skills acquired over the course of a
112.17 mental illness. For a child client, rehabilitation includes intervention to restore a child or
112.18 adolescent to an age-appropriate developmental trajectory that had been disrupted by a
112.19 mental illness.

112.20 Sec. 20. Minnesota Statutes 2024, section 245I.02, subdivision 39, is amended to read:

112.21 Subd. 39. **Treatment plan.** "Treatment plan" means services that a license holder
112.22 formulates to respond to a client's needs and goals. A treatment plan includes individual
112.23 treatment plans under section 245I.10, subdivisions 7 and 8; initial treatment plans under
112.24 section 245I.23, subdivision 7; and crisis treatment plans under sections 245I.23, subdivision
112.25 8, and 256B.0624, subdivision 11. For a license holder under section 245I.17, treatment
112.26 plan refers to the integrated treatment plan developed according to section 245I.17,
112.27 subdivision 13.

112.28 Sec. 21. Minnesota Statutes 2024, section 245I.03, subdivision 4, is amended to read:

112.29 Subd. 4. **Behavioral emergencies.** (a) A license holder must have procedures that each
112.30 staff person follows when responding to a client who exhibits behavior that threatens the

113.1 immediate safety of the client or others. A license holder's behavioral emergency procedures
 113.2 must incorporate person-centered planning and trauma-informed care.

113.3 (b) A license holder's behavioral emergency procedures must include:

113.4 (1) a plan designed to prevent the client from inflicting self-harm and harming others;

113.5 (2) contact information for emergency resources that a staff person must use when the
 113.6 license holder's behavioral emergency procedures are unsuccessful in controlling a client's
 113.7 behavior;

113.8 (3) the types of behavioral emergency procedures that a staff person may use;

113.9 (4) the specific circumstances under which the program may use behavioral emergency
 113.10 procedures; ~~and~~

113.11 (5) the staff persons whom the license holder authorizes to implement behavioral
 113.12 emergency procedures; and

113.13 (6) the contact information for the local crisis team.

113.14 (c) The license holder's behavioral emergency procedures must not include secluding
 113.15 or restraining a client except as allowed under section 245.8261.

113.16 (d) Staff persons must not use behavioral emergency procedures to enforce program
 113.17 rules or for the convenience of staff persons. Behavioral emergency procedures must not
 113.18 be part of any client's treatment plan. A staff person may not use behavioral emergency
 113.19 procedures except in response to a client's current behavior that threatens the immediate
 113.20 safety of the client or others.

113.21 Sec. 22. Minnesota Statutes 2024, section 245I.03, is amended by adding a subdivision
 113.22 to read:

113.23 Subd. 11. **Quality assurance and improvement plan.** (a) At a minimum, a license
 113.24 holder must develop a written quality assurance and improvement plan that includes plans
 113.25 for:

113.26 (1) encouraging ongoing consultation among members of the treatment team;

113.27 (2) obtaining and evaluating feedback about services from clients, family and other
 113.28 natural supports, referral sources, and staff persons;

113.29 (3) measuring and evaluating client outcomes;

113.30 (4) reviewing client suicide deaths and suicide attempts;

114.1 (5) examining the quality of clinical service delivery to clients; and

114.2 (6) self-monitoring of compliance with this chapter.

114.3 (b) At least annually, a license holder must review, evaluate, and update the quality
 114.4 assurance and improvement plan. The review must:

114.5 (1) include documentation of the actions that the certification holder will take as a result
 114.6 of information obtained from monitoring activities in the plan; and

114.7 (2) establish goals for improved service delivery to clients for the next year.

114.8 Sec. 23. Minnesota Statutes 2025 Supplement, section 245I.04, subdivision 5, is amended
 114.9 to read:

114.10 Subd. 5. **Behavioral health practitioner scope of practice.** (a) A behavioral health
 114.11 practitioner under the treatment supervision of a mental health professional or certified
 114.12 rehabilitation specialist may provide an adult client with client education, rehabilitative
 114.13 mental health services, functional assessments, level of care assessments, crisis planning,
 114.14 and treatment plans. A behavioral health practitioner under the treatment supervision of a
 114.15 mental health professional may provide skill-building services ~~to a child client,~~ crisis
 114.16 planning, and complete treatment plans for a child client.

114.17 (b) A behavioral health practitioner must not provide treatment supervision to other staff
 114.18 persons. A behavioral health practitioner may provide direction to mental health rehabilitation
 114.19 workers and mental health behavioral aides.

114.20 (c) A behavioral health practitioner who provides services to clients according to section
 114.21 256B.0624 may perform crisis assessments and interventions for a client.

114.22 Sec. 24. Minnesota Statutes 2025 Supplement, section 245I.04, subdivision 17, is amended
 114.23 to read:

114.24 Subd. 17. **Mental health behavioral aide scope of practice.** While under the treatment
 114.25 supervision of a mental health professional, a mental health behavioral aide may ~~practice~~
 114.26 ~~psychosocial skills with~~ provide skill-building services to a child client ~~according to the~~
 114.27 ~~child's treatment plan and individual behavior plan that a mental health professional, clinical~~
 114.28 ~~trainee, or behavioral health practitioner has previously taught to the child.~~

114.29 Sec. 25. Minnesota Statutes 2024, section 245I.06, subdivision 1, is amended to read:

114.30 Subdivision 1. **Generally.** (a) A license holder must ensure that a mental health
 114.31 professional or certified rehabilitation specialist provides treatment supervision to each staff

115.1 person who provides services to a client and who is not a mental health professional or
 115.2 certified rehabilitation specialist. When providing treatment supervision, a treatment
 115.3 supervisor must follow a staff person's written treatment supervision plan.

115.4 (b) Treatment supervision must focus on each client's treatment needs and the ability of
 115.5 the staff person under treatment supervision to provide services to each client, including
 115.6 the following topics related to the staff person's current caseload:

115.7 (1) a review and evaluation of the interventions that the staff person delivers to each
 115.8 client;

115.9 (2) instruction on alternative strategies if a client is not achieving treatment goals;

115.10 (3) a review and evaluation of each client's assessments, treatment plans, and progress
 115.11 notes for accuracy and appropriateness;

115.12 (4) instruction on the cultural norms or values of the clients and communities that the
 115.13 license holder serves and the impact that a client's culture has on providing treatment;

115.14 (5) evaluation of and feedback regarding a direct service staff person's areas of
 115.15 competency; ~~and~~

115.16 (6) coaching, teaching, and practicing skills with a staff person; and

115.17 (7) modeling service practices that respect the recipient, include the recipient in planning
 115.18 and implementation of the individual treatment plan, recognize the recipient's strengths,
 115.19 and coordinate with other involved parties and providers.

115.20 (c) A treatment supervisor must provide treatment supervision to a staff person using
 115.21 methods that allow for immediate feedback, including in-person, telephone, and interactive
 115.22 video supervision.

115.23 (d) A treatment supervisor's responsibility for a staff person receiving treatment
 115.24 supervision is limited to the services provided by the associated license holder. If a staff
 115.25 person receiving treatment supervision is employed by multiple license holders, each license
 115.26 holder is responsible for providing treatment supervision related to the treatment of the
 115.27 license holder's clients.

115.28 Sec. 26. Minnesota Statutes 2024, section 245I.06, subdivision 2, is amended to read:

115.29 Subd. 2. **Treatment supervision planning.** (a) A treatment supervisor and the staff
 115.30 person supervised by the treatment supervisor must develop a written treatment supervision
 115.31 plan. The license holder must ensure that a new staff person's treatment supervision plan is
 115.32 completed, approved by the staff person, and implemented by a treatment supervisor and

116.1 the new staff person within 30 days of the new staff person's first day of employment. The
 116.2 license holder must review and update each staff person's treatment supervision plan annually.

116.3 (b) Each staff person's treatment supervision plan must include:

116.4 (1) the name and qualifications of the staff person receiving treatment supervision;

116.5 (2) the names and licensures of the treatment supervisors who are supervising the staff
 116.6 person;

116.7 (3) how frequently the treatment supervisors must provide treatment supervision to the
 116.8 staff person; and

116.9 (4) the staff person's authorized scope of practice, including a description of the client
 116.10 ~~population~~ ages that the staff person serves, and a description of the treatment methods and
 116.11 modalities that the staff person may use to provide services to clients.

116.12 Sec. 27. Minnesota Statutes 2024, section 245I.07, is amended to read:

116.13 **245I.07 PERSONNEL FILES.**

116.14 (a) For each staff person, a license holder must maintain a personnel file that includes:

116.15 (1) verification of the staff person's qualifications required for the position including
 116.16 training, education, practicum or internship agreement, licensure, and any other required
 116.17 qualifications;

116.18 (2) documentation related to the staff person's background study;

116.19 (3) the hiring date of the staff person;

116.20 (4) a description of the staff person's job responsibilities with the license holder;

116.21 (5) the date that the staff person's specific duties and responsibilities became effective,
 116.22 including the date that the staff person began having direct contact with clients;

116.23 (6) documentation of the staff person's training as required by section 245I.05, subdivision
 116.24 2;

116.25 (7) a verification copy of license renewals that the staff person completed during the
 116.26 staff person's employment;

116.27 (8) annual job performance evaluations; and

116.28 (9) if applicable, the staff person's alleged and substantiated violations of the license
 116.29 holder's policies under section 245I.03, subdivision 8, clauses (3) to (7), and the license
 116.30 holder's response.

117.1 (b) The license holder must ensure that all personnel files are readily accessible for the
117.2 commissioner's review. The license holder is not required to keep personnel files in a single
117.3 location.

117.4 (c) For a license holder under section 245I.17, a personnel file for staff who provide
117.5 substance use disorder treatment services must include records of training required under
117.6 section 245G.13, subdivision 2.

117.7 Sec. 28. Minnesota Statutes 2024, section 245I.10, is amended by adding a subdivision
117.8 to read:

117.9 Subd. 2a. **Evaluation, treatment authorization, and planning in a certified community**
117.10 **behavioral health clinic.** Notwithstanding subdivisions 2 and 7, a license holder under
117.11 section 245I.17 must meet the requirements of section 245I.17, subdivisions 11 and 12, for
117.12 assessments and section 245I.17, subdivision 13, for treatment planning. Service planning
117.13 and authorization for services delivered by a certified community behavioral health clinic
117.14 must be done pursuant to the standards in section 245I.17.

117.15 Sec. 29. Minnesota Statutes 2024, section 245I.10, subdivision 6, is amended to read:

117.16 Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health
117.17 professional or a clinical trainee may complete a standard diagnostic assessment of a client.
117.18 A standard diagnostic assessment of a client must include a face-to-face interview with a
117.19 client and a written evaluation of the client. The assessor must complete a client's standard
117.20 diagnostic assessment within the client's cultural context. An alcohol and drug counselor
117.21 may gather and document the information in paragraphs (b) and (c) when completing a
117.22 comprehensive assessment according to section 245G.05.

117.23 (b) When completing a standard diagnostic assessment of a client, the assessor must
117.24 gather and document information about the client's current life situation, including the
117.25 following information:

117.26 (1) the client's age;

117.27 (2) the client's current living situation, including the client's housing status and household
117.28 members;

117.29 (3) the status of the client's basic needs;

117.30 (4) the client's education level and employment status;

117.31 (5) the client's current medications;

- 118.1 (6) any immediate risks to the client's health and safety, including withdrawal symptoms,
118.2 medical conditions, and behavioral and emotional symptoms;
- 118.3 (7) the client's perceptions of the client's condition;
- 118.4 (8) the client's description of the client's symptoms, including the reason for the client's
118.5 referral;
- 118.6 (9) the client's history of mental health and substance use disorder treatment;
- 118.7 (10) cultural influences on the client; and
- 118.8 (11) substance use history, if applicable, including:
- 118.9 (i) amounts and types of substances, frequency and duration, route of administration,
118.10 periods of abstinence, and circumstances of relapse; and
- 118.11 (ii) the impact to functioning when under the influence of substances, including legal
118.12 interventions.
- 118.13 (c) If the assessor cannot obtain the information that this paragraph requires without
118.14 retraumatizing the client or harming the client's willingness to engage in treatment, the
118.15 assessor must identify which topics will require further assessment during the course of the
118.16 client's treatment. The assessor must gather and document information related to the following
118.17 topics:
- 118.18 (1) the client's relationship with the client's family and other significant personal
118.19 relationships, including the client's evaluation of the quality of each relationship;
- 118.20 (2) the client's strengths and resources, including the extent and quality of the client's
118.21 social networks;
- 118.22 (3) important developmental incidents in the client's life;
- 118.23 (4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;
- 118.24 (5) the client's history of or exposure to alcohol and drug usage and treatment; and
- 118.25 (6) the client's health history and the client's family health history, including the client's
118.26 physical, chemical, and mental health history.
- 118.27 (d) When completing a standard diagnostic assessment of a client, an assessor must use
118.28 a recognized diagnostic framework.
- 118.29 (1) When completing a standard diagnostic assessment of a client who is five years of
118.30 age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic

119.1 Classification of Mental Health and Development Disorders of Infancy and Early Childhood
119.2 published by Zero to Three.

119.3 (2) When completing a standard diagnostic assessment of a client who is six years of
119.4 age or older, the assessor must use the current edition of the Diagnostic and Statistical
119.5 Manual of Mental Disorders published by the American Psychiatric Association.

119.6 (3) When completing a standard diagnostic assessment of a client who is 12 to 17 years
119.7 of age, an assessor must use either the CRAFFT Questionnaire or the criteria in the most
119.8 recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by
119.9 the American Psychiatric Association to screen and assess the client for a substance use
119.10 disorder.

119.11 ~~(3)~~ (4) When completing a standard diagnostic assessment of a client who is 18 years
119.12 of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the
119.13 criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental
119.14 Disorders published by the American Psychiatric Association to screen and assess the client
119.15 for a substance use disorder.

119.16 (e) When completing a standard diagnostic assessment of a client, the assessor must
119.17 include and document the following components of the assessment:

119.18 (1) the client's mental status examination;

119.19 (2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources;
119.20 vulnerabilities; safety needs, including client information that supports the assessor's findings
119.21 after applying a recognized diagnostic framework from paragraph (d); and any differential
119.22 diagnosis of the client; and

119.23 (3) an explanation of: (i) how the assessor diagnosed the client using the information
119.24 from the client's interview, assessment, psychological testing, and collateral information
119.25 about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths;
119.26 and (v) the client's responsivity factors.

119.27 (f) When completing a standard diagnostic assessment of a client, the assessor must
119.28 consult the client and the client's family about which services that the client and the family
119.29 prefer to treat the client. ~~The assessor must make referrals for the client as to services required~~
119.30 ~~by law.~~

119.31 (g) Information from other providers and prior assessments may be used to complete
119.32 the diagnostic assessment if the source of the information is documented in the diagnostic
119.33 assessment.

120.1 (h) If the client screens positive for a need for substance use disorder services, the assessor
120.2 must document what actions will be taken to address the client's co-occurring conditions.

120.3 (i) The assessor must determine if the client is eligible for targeted case management
120.4 services according to section 245.462, subdivision 20, or 245.4871, subdivision 6, and refer
120.5 the client to the county or contracted provider as appropriate.

120.6 Sec. 30. Minnesota Statutes 2024, section 245I.10, subdivision 8, is amended to read:

120.7 Subd. 8. **Individual treatment plan; required elements.** (a) After completing a client's
120.8 diagnostic assessment or reviewing a client's diagnostic assessment received from a different
120.9 provider and before providing services to the client beyond those permitted under subdivision
120.10 7, the license holder must complete the client's individual treatment plan. The license holder
120.11 must:

120.12 (1) base the client's individual treatment plan on the client's diagnostic assessment and
120.13 baseline measurements;

120.14 (2) for a child client, use a child-centered, family-driven, and culturally appropriate
120.15 planning process that allows the child's parents and guardians to observe and participate in
120.16 the child's individual and family treatment services, assessments, and treatment planning;

120.17 (3) for an adult client, use a person-centered, culturally appropriate planning process
120.18 that allows the client's family and other natural supports to observe and participate in the
120.19 client's treatment services, assessments, and treatment planning;

120.20 (4) identify the client's treatment goals, measureable treatment objectives, a schedule
120.21 for accomplishing the client's treatment goals and objectives, a treatment strategy, and the
120.22 individuals responsible for providing treatment services and supports to the client. The
120.23 license holder must have a treatment strategy to engage the client in treatment if the client:

120.24 (i) has a history of not engaging in treatment; and

120.25 (ii) is ordered by a court to participate in treatment services or to take neuroleptic
120.26 medications;

120.27 (5) identify the participants involved in the client's treatment planning. The client must
120.28 be a participant in the client's treatment planning. If applicable, the license holder must
120.29 document the reasons that the license holder did not involve the client's family, case manager,
120.30 or other natural supports in the client's treatment planning; and

120.31 ~~(6) review the client's individual treatment plan every 180 days and update the client's~~
120.32 ~~individual treatment plan with the client's treatment progress, new treatment objectives and~~

121.1 ~~goals or, if the client has not made treatment progress, changes in the license holder's~~
 121.2 ~~approach to treatment; and~~

121.3 ~~(7)~~ (6) ensure that the client approves of the client's individual treatment plan unless a
 121.4 court orders the client's treatment plan under chapter 253B.

121.5 (b) If the client disagrees with the client's treatment plan, the license holder must
 121.6 document in the client file the reasons why the client does not agree with the treatment plan.
 121.7 If the license holder cannot obtain the client's approval of the treatment plan, a mental health
 121.8 professional must make efforts to obtain approval from a person who is authorized to consent
 121.9 on the client's behalf within 30 days after the client's previous individual treatment plan
 121.10 expired. A license holder may not deny a client service during this time period solely because
 121.11 the license holder could not obtain the client's approval of the client's individual treatment
 121.12 plan. A license holder may continue to bill for the client's otherwise eligible services when
 121.13 the client re-engages in services.

121.14 (c) The individual treatment plan must be updated as necessary to reflect the changing
 121.15 needs of the client, including offering assistance in accessing necessary crisis services when
 121.16 the license holder is aware of client need for the services. The license holder must review
 121.17 the client's individual treatment plan every 180 days and update the client's individual
 121.18 treatment plan with the client's treatment progress, new treatment objectives and goals, or,
 121.19 if the client has not made treatment progress, changes in the license holder's approach to
 121.20 treatment.

121.21 Sec. 31. **[245L.17] CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC**
 121.22 **LICENSURE.**

121.23 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this
 121.24 subdivision have the meanings given.

121.25 (b) "Care coordination" means the activities required to coordinate care across settings
 121.26 and providers for an individual served to ensure seamless transitions across the full spectrum
 121.27 of health services. Care coordination includes outreach and engagement; documenting a
 121.28 plan of care for medical, behavioral health, and social services and supports in the integrated
 121.29 treatment plan; assisting with obtaining appointments; confirming appointments are kept;
 121.30 developing a crisis plan; tracking medication; and implementing care coordination agreements
 121.31 with external providers. Care coordination may include psychiatric consultation with primary
 121.32 care practitioners and with mental health clinical care practitioners.

122.1 (c) "CCBHC client" means an individual who has participated in a preliminary screening
122.2 and risk assessment and who has received at least one of the nine required services from a
122.3 CCBHC.

122.4 (d) "Certified community behavioral health clinic" or "CCBHC" means a provider of
122.5 integrated behavioral health services that is licensed under this section and compliant with
122.6 federal CCBHC requirements.

122.7 (e) "Community needs assessment" means an assessment to identify community needs
122.8 and determine the community behavioral health clinic's capacity to address the needs of the
122.9 population being served.

122.10 (f) "Designated collaborating organization" means an entity meeting the requirements
122.11 of subdivision 5 with a formal agreement with a CCBHC to furnish CCBHC services.

122.12 (g) "Federal CCBHC criteria" means the most recently issued Certified Community
122.13 Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental
122.14 Health Services Administration.

122.15 (h) "Needs assessment" means the community needs assessment described in federal
122.16 criteria for CCBHC.

122.17 (i) "Preliminary screening and risk assessment" means a mandatory screening and risk
122.18 assessment that is completed at the time of first contact, whether that contact is in person,
122.19 by telephone, or using other remote communication.

122.20 Subd. 2. **Establishment of licensure.** (a) The certified community behavioral health
122.21 clinic model is an integrated service delivery model that uses evidence-based behavioral
122.22 health practices to achieve better outcomes for individuals experiencing behavioral health
122.23 concerns while achieving sustainable rates through cost-based reimbursement for providers
122.24 and economic efficiencies for payors.

122.25 (b) Beginning January 1, 2028, a CCBHC must be licensed under this section and chapter
122.26 245A.

122.27 (c) A CCBHC must meet the requirements of this section and the federal CCBHC criteria.
122.28 The commissioner may require a CCBHC applicant or license holder to submit documentation
122.29 of compliance with state licensing requirements and federal CCBHC criteria. When permitted
122.30 by the Substance Abuse and Mental Health Services Administration, the commissioner may
122.31 select a transition date on which revisions to the federal CCBHC criteria become required
122.32 as licensing conditions for CCBHCs.

123.1 Subd. 3. **License extension.** (a) The commissioner shall extend a compliant license
123.2 holder's license under this section for 36 months.

123.3 (b) The commissioner must complete a licensing review that includes an on-site inspection
123.4 within six months before the expiration of the CCBHC's current license.

123.5 (c) Within 180 days of license expiration, a CCBHC license holder must submit to the
123.6 commissioner all documentation required by the commissioner under subdivision 2,
123.7 paragraph (b).

123.8 Subd. 4. **Required services and scope of licensure.** Within a declared service area, the
123.9 CCBHC must be able to offer:

123.10 (1) mobile crisis services, directly or through a designated collaborating organization
123.11 under subdivision 4;

123.12 (2) outpatient mental health and substance use disorder services under subdivisions 9
123.13 and 10;

123.14 (3) screening, diagnosis, and risk assessment under subdivision 11;

123.15 (4) person- and family-centered treatment planning;

123.16 (5) psychiatric rehabilitation services under subdivision 14;

123.17 (6) community-based mental health care for veterans under subdivision 15;

123.18 (7) outpatient primary care screening and monitoring under subdivision 16;

123.19 (8) peer services under subdivision 17; and

123.20 (9) targeted case management under subdivision 18.

123.21 Subd. 5. **Designated collaborating organization.** (a) If a CCBHC is unable to provide
123.22 mobile crisis services, the CCBHC may contract with another entity that is licensed to
123.23 provide mobile crisis services under section 245I.24 and that meets the requirements of the
123.24 federal CCBHC criteria.

123.25 (b) The CCBHC must submit a designated collaborating organization arrangement for
123.26 approval to the commissioner as part of the licensing process.

123.27 Subd. 6. **Exemptions to host county approval.** Notwithstanding any other law that
123.28 requires a county contract or other form of county approval for a service listed in subdivision
123.29 4, a CCBHC that meets the requirements of this section may receive the prospective payment
123.30 under section 256B.0625, subdivision 5m, for that service without a county contract or
123.31 county approval.

124.1 Subd. 7. **Variances.** When the standards listed in this section or other applicable standards
124.2 conflict or address similar issues in duplicative or incompatible ways, the commissioner
124.3 may grant variances to state requirements if the variances do not conflict with federal
124.4 requirements for services reimbursed under medical assistance. If standards overlap, the
124.5 commissioner may substitute all or a part of a licensure or certification that is substantially
124.6 the same as another licensure or certification. The commissioner shall consult with
124.7 stakeholders before granting variances under this provision. For a CCBHC that is licensed
124.8 but not approved for prospective payment under section 256B.0625, subdivision 5m, the
124.9 commissioner may grant a variance under this paragraph if the variance does not increase
124.10 the state share of costs.

124.11 Subd. 8. **Evidence-based practices.** The commissioner shall issue a list of required
124.12 evidence-based practices to be delivered by CCBHCs and may also provide a list of
124.13 recommended evidence-based practices. The commissioner may update the list to reflect
124.14 advances in outcomes research and medical services for persons living with mental illnesses
124.15 or substance use disorders. The commissioner shall take into consideration the adequacy
124.16 of evidence to support the efficacy of the practice across cultures and ages, the workforce
124.17 available, and the current availability of the practice in the state. At least 30 days before
124.18 issuing the initial list or issuing any revisions, the commissioner shall provide stakeholders
124.19 with an opportunity to comment.

124.20 Subd. 9. **Outpatient mental health services.** (a) A license holder must provide outpatient
124.21 mental health services that comply with the federal CCBHC criteria and applicable state
124.22 standards in this chapter, except as provided in this subdivision.

124.23 (b) An initial or comprehensive evaluation fulfills the requirements to perform a
124.24 diagnostic assessment in accordance with section 245I.10, subdivisions 2 and 6.

124.25 (c) An integrated treatment plan under this section fulfills the requirements to perform
124.26 treatment planning in accordance with section 245I.10, subdivisions 7 and 8.

124.27 (d) A license holder under this section is exempt from certification as a mental health
124.28 clinic under section 245I.20.

124.29 Subd. 10. **Outpatient substance use disorder care.** (a) When a license holder provides
124.30 substance use disorder treatment services to an individual with a substance use disorder
124.31 diagnosis, the license holder must comply with the requirements for substance use disorder
124.32 services in chapter 245G, except as provided in this subdivision.

124.33 (b) A preliminary screening and risk assessment under this section fulfills the
124.34 requirements to perform an initial services plan under section 245G.04, subdivision 1.

125.1 (c) A comprehensive evaluation under this section fulfills the requirements to perform
125.2 a comprehensive assessment under section 245G.05.

125.3 (d) An integrated treatment plan under this section and containing a six-dimension
125.4 analysis of the client's needs according to the third edition of ASAM criteria, as defined in
125.5 section 254B.01, subdivision 2a, fulfills the requirements to provide an individual treatment
125.6 plan under section 245G.06.

125.7 (e) A license holder under this section fulfills the requirement to document personnel
125.8 files under section 245G.13, subdivision 3, by complying with the requirements of this
125.9 chapter.

125.10 (f) A license holder under this section fulfills the requirement to protect client rights
125.11 under section 245G.15 by complying with the requirements of section 245I.12.

125.12 (g) A license holder under this section fulfills the requirements to respond to behavioral
125.13 emergencies under section 245G.16 by complying with the requirements of section 245I.03,
125.14 subdivision 4.

125.15 (h) A license holder under this section is exempt from licensure under chapter 245G.

125.16 Subd. 11. **Initial triage and risk assessment.** (a) A license holder must have policies
125.17 and procedures on:

125.18 (1) how staff will implement the requirements of this subdivision;

125.19 (2) staff positions authorized to complete triage and risk assessments;

125.20 (3) documenting the results of the risk screenings; and

125.21 (4) ensuring the client is offered timely services according to the federal CCBHC criteria.

125.22 (b) A license holder must conduct an initial triage and risk assessment when a new client
125.23 requests services or is referred to services. A license holder may conduct an initial triage
125.24 and risk assessment in person, by telephone, or other remote communication. Based on the
125.25 acuity of needs as assessed in the initial triage and risk assessment, the client must be
125.26 categorized as having emergency, urgent, or routine needs.

125.27 (c) Based on these categorizations, the license holder must offer services that meet the
125.28 relevant timelines under the federal CCBHC criteria.

125.29 (d) The license holder must provide training that addresses:

125.30 (1) when a prospective client requires intervention from qualified staff;

125.31 (2) use of standardized measures that screen for significant risks;

126.1 (3) other factors that indicate a client has urgent needs besides the Columbia Suicide
126.2 Severity Rating Scale or a self-harm screening; and
126.3 (4) overdose and substance use disorder risks.

126.4 Subd. 12. **Initial and comprehensive evaluation.** (a) A license holder under this section
126.5 must provide initial and comprehensive evaluations according to this section and federal
126.6 CCBHC criteria.

126.7 (b) An initial evaluation is necessary to authorize the provision of all medically necessary
126.8 CCBHC services until the completion of a comprehensive evaluation. A comprehensive
126.9 evaluation is necessary to authorize the provision of all medically necessary CCBHC services
126.10 on an ongoing basis. A license holder must ensure that each client's comprehensive evaluation
126.11 reflects the needs and assessments for all services provided.

126.12 Subd. 13. **Integrated treatment plan.** (a) A license holder under this section must
126.13 complete an integrated treatment plan for each client following the comprehensive evaluation
126.14 and no later than 60 calendar days after the date of the first request for services.

126.15 (b) A license holder must reflect all required services under subdivision 9 within the
126.16 integrated treatment plan according to the client's needs.

126.17 (c) A license hold must review and update a client's treatment plan as necessary to reflect
126.18 the changing needs of the client and progress made in treatment. If the client has not made
126.19 treatment progress, the revision of the treatment plan must indicate changes in the license
126.20 holder's approach to treatment to better meet the needs of the client. A license holder must
126.21 review and update the treatment plan at least every 180 days or as clinically indicated.

126.22 Subd. 14. **Psychiatric rehabilitation services.** (a) For children, a license holder under
126.23 this section must provide children's therapeutic services and supports according to sections
126.24 245I.30 and 245I.31, except that an initial or comprehensive assessment under this section
126.25 fulfills the requirement to perform a standard diagnostic assessment.

126.26 (b) For adults, a license holder under this section must provide adult rehabilitative mental
126.27 health services according to section 245I.22, except that:

126.28 (1) the license holder is exempt from the requirement to perform a level of care
126.29 assessment under section 245I.22, subdivision 6, paragraph (b); and

126.30 (2) an initial or comprehensive assessment under this section fulfills the requirement to
126.31 perform a standard diagnostic assessment.

127.1 Subd. 15. **Community-based care for veterans.** (a) The license holder must provide
127.2 services according to federal requirements for eligibility and coordination with TRICARE
127.3 and the United States Department of Veterans Affairs.

127.4 (b) The license holder must assign and document a principal behavioral health provider
127.5 for every veteran receiving services.

127.6 Subd. 16. **Primary care screening and monitoring.** To fulfill the requirements for
127.7 primary care screening, a license holder under this section must have policies and procedures
127.8 detailing the screenings to be performed with specific populations at the clinic. The policies
127.9 and procedures must be approved by the medical director.

127.10 Subd. 17. **Peer services.** A license holder must be able to provide peer services as
127.11 described by federal CCBHC criteria and sections 245G.07, subdivision 2, clause (8),
127.12 256B.0615, and 256B.0616.

127.13 Subd. 18. **Targeted case management.** (a) A license holder must provide mental health
127.14 targeted case management as described by federal CCBHC criteria and section 256B.0625,
127.15 subdivision 20.

127.16 (b) An initial or comprehensive evaluation under this section fulfills any requirement
127.17 to perform a standard diagnostic assessment.

127.18 Subd. 19. **Community needs assessment.** (a) The community needs assessment must
127.19 be a collaborative document that reflects the engagement of the applicant or license holder
127.20 with current clients, other social and medical services agencies, community groups,
127.21 underserved populations, and government agencies. An applicant or license holder must
127.22 document an outreach plan within the community needs assessment to demonstrate how
127.23 stakeholder feedback was solicited and reflected in the plan.

127.24 (b) The applicant or license holder must publicly post a draft community needs assessment
127.25 on the organization's website for 30 days and submit a summary of public comments and
127.26 recommendations from the comment period to the commissioner.

127.27 (c) In the draft community needs assessment, the applicant or license holder must declare
127.28 a planned geographic service delivery area in which the CCBHC will be capable of providing
127.29 all nine required services. An applicant must show an analysis of how CCBHC status will
127.30 make a significant improvement in the availability and quality of the services. An existing
127.31 license holder must include analysis of which needs from prior needs assessments have
127.32 been improved by the operation of the CCBHC. A clinic that has not made and demonstrated

128.1 substantial progress in addressing the identified needs must specify what changes will occur
128.2 to address the lack of progress.

128.3 (d) The commissioner must provide feedback and technical assistance if the needs
128.4 assessment must be revised.

128.5 Subd. 20. **Staffing plan.** (a) Based on an accepted community needs assessment, the
128.6 applicant or license holder must complete a staffing plan. The staffing plan must include
128.7 analysis of the extent to which identified staffing levels will be capable of meeting the needs
128.8 identified in the community needs assessment.

128.9 (b) The commissioner must provide feedback and technical assistance if the needs
128.10 assessment must be revised.

128.11 Subd. 21. **Data and evaluation.** A provider must submit documentation that establishes
128.12 the ability of the clinic to complete the required data collection as a CCBHC, as determined
128.13 by the commissioner. For an applicant that is an existing provider, the commissioner must
128.14 review and evaluate data submitted related to claims, grants, and other reporting to ensure
128.15 the data meets reporting requirements.

128.16 Subd. 22. **Cost reporting.** A provider must submit a cost report on the forms and in the
128.17 manner required in section 256B.0625, subdivision 5m.

128.18 **Sec. 32. [245I.22] ADULT REHABILITATIVE MENTAL HEALTH SERVICES.**

128.19 Subdivision 1. **Generally.** Beginning January 1, 2028, a provider of adult mental health
128.20 rehabilitative services must be licensed under this section and chapter 245A.

128.21 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision
128.22 have the meanings given.

128.23 (b) "Adult mental health rehabilitative services" or "ARMHS" has the meaning given
128.24 in section 245I.02, subdivision 33.

128.25 (c) "Basic living skills" means rehabilitative interventions that instruct, assist, and support
128.26 the client in areas, including interpersonal communication skills, community resource
128.27 utilization and integration skills, crisis planning, relapse prevention skills, health care
128.28 directives, budgeting and shopping skills, healthy lifestyle skills and practices, cooking and
128.29 nutrition skills, transportation skills, mental illness symptom management skills, household
128.30 management skills, employment-related skills, and parenting skills.

128.31 (d) "Community intervention" means a client's community assisting in the client's
128.32 rehabilitation and includes consultation with relatives, guardians, friends, employers,

129.1 treatment providers, and other significant individuals. Community intervention is appropriate
 129.2 when directed exclusively to the treatment of the client.

129.3 (e) "Medication education services" means services provided individually or in groups
 129.4 that focus on educating the client about mental illness and symptoms, the role and effects
 129.5 of medications in treating symptoms of mental illness, and the side effects of medications.
 129.6 Medication education must be coordinated with medication management services and not
 129.7 duplicate it. Medication education services must be provided by physicians, advanced
 129.8 practice registered nurses, pharmacists, physician assistants, or registered nurses.

129.9 (f) "Transition to community living" means services that maintain continuity of contact
 129.10 between the rehabilitation services provider and the client and facilitate discharge from a
 129.11 hospital, residential treatment program, board and lodging facility, or nursing home.
 129.12 Transition to community living services must not be used to provide other areas of adult
 129.13 rehabilitative mental health services.

129.14 Subd. 3. **Service components.** An ARMHS provider must be capable of providing:

- 129.15 (1) basic living skills;
- 129.16 (2) medication education;
- 129.17 (3) community intervention; and
- 129.18 (4) transition to community living.

129.19 Subd. 4. **Provider requirements.** An ARMHS license holder must be enrolled with
 129.20 medical assistance and comply with standards in section 256B.0623.

129.21 Subd. 5. **Qualifications.** ARMHS must be provided by:

- 129.22 (1) a mental health professional qualified under section 245I.04, subdivision 2;
- 129.23 (2) a certified rehabilitation specialist qualified under section 245I.04, subdivision 8;
- 129.24 (3) a clinical trainee qualified under section 245I.04, subdivision 6;
- 129.25 (4) a behavioral health practitioner qualified under section 245I.04, subdivision 4;
- 129.26 (5) a mental health certified peer specialist qualified under section 245I.04, subdivision
 129.27 12; or
- 129.28 (6) a mental health rehabilitation worker qualified under section 245I.04, subdivision
 129.29 14.

129.30 Subd. 6. **Service planning.** (a) A provider of ARMHS must complete a written functional
 129.31 assessment according to section 245I.10, subdivision 9, for each client.

130.1 (b) When a provider of ARMHS completes a written functional assessment, the provider
 130.2 must also complete a level of care assessment, as defined in section 245I.02, subdivision
 130.3 19, for the client.

130.4 Subd. 7. **Group modality.** ARMHS may be provided in group settings if appropriate
 130.5 to each participating client's needs and treatment plan. A group is defined as two to ten
 130.6 clients, at least one of whom is concurrently receiving ARMHS. The service and group
 130.7 must be specified in the client's individual treatment plan.

130.8 **Sec. 33. [245I.24] MOBILE CRISIS RESPONSE SERVICES.**

130.9 Subdivision 1. **Generally.** (a) Mobile crisis response services provide short-term,
 130.10 face-to-face mental health care for adults and children experiencing crisis in community
 130.11 settings to help the individual maintain safety and return to a baseline level of functioning.

130.12 (b) Beginning January 1, 2028, a provider of mobile crisis response services must be
 130.13 licensed under this section and chapter 245A.

130.14 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision
 130.15 have the meanings given.

130.16 (b) "Crisis assessment" means an immediate face-to-face assessment by a physician, a
 130.17 mental health professional, or a qualified member of a crisis team, as described in subdivision
 130.18 5.

130.19 (c) "Crisis intervention" means face-to-face, short-term intensive mental health services
 130.20 initiated during a mental health crisis to help the individual cope with immediate stressors,
 130.21 identify and utilize available resources and strengths, engage in voluntary treatment, and
 130.22 begin to return to the individual's baseline level of functioning.

130.23 (d) "Crisis screening" means a screening of a client's potential mental health crisis
 130.24 situation under subdivision 6.

130.25 (e) "Crisis stabilization" means individualized mental health services provided to an
 130.26 individual that are designed to restore the individual to the individual's baseline level of
 130.27 functioning. Crisis stabilization services may be provided in the individual's home, the home
 130.28 of a family member or friend of the individual, another community setting, a short-term
 130.29 supervised licensed residential program, or an emergency department. Crisis stabilization
 130.30 services include family psychoeducation.

130.31 (f) "Crisis team" means the staff of a provider entity who are supervised and prepared
 130.32 to provide mobile crisis services to a client in a potential mental health crisis situation.

131.1 (g) "Mental health crisis" is a behavioral, emotional, or psychiatric situation that, without
131.2 the provision of crisis response services, would likely result in significantly reducing the
131.3 individual's levels of functioning in primary activities of daily living, the individual needing
131.4 emergency services under section 62Q.55, or the individual being placed in a more restrictive
131.5 setting, including but not limited to inpatient hospitalization.

131.6 (h) "Mobile crisis services" means screening, assessment, intervention, and
131.7 community-based stabilization that is provided to an individual client. Mobile crisis services
131.8 does not include residential crisis stabilization.

131.9 Subd. 3. **Eligibility.** (a) An individual is eligible for crisis assessment services when the
131.10 person has screened positive for a potential mental health crisis during a crisis screening.

131.11 (b) An individual is eligible for crisis intervention services and crisis stabilization services
131.12 when the individual has been assessed during a crisis assessment to be experiencing a mental
131.13 health crisis.

131.14 Subd. 4. **Policies, procedures, and practices specified.** (a) In addition to the policies
131.15 and procedures required by section 245I.03, the license holder must establish, enforce, and
131.16 maintain policies and procedures to:

131.17 (1) ensure that crisis screenings, assessments, and intervention services are available 24
131.18 hours per day, seven days per week;

131.19 (2) respond to a call for services in a designated service area or according to a written
131.20 agreement with the local mental health authority for an adjacent area;

131.21 (3) have at least one mental health professional on staff at all times and at least one
131.22 additional staff member capable of leading a crisis response in the community; and

131.23 (4) respond to clients in the community according to the requirements and priorities in
131.24 subdivision 6.

131.25 (b) The license holder must provide the commissioner with information about the number
131.26 of requests for service, the number of clients that the provider serves face-to-face, and client
131.27 outcomes a minimum of every six months.

131.28 (c) The license holder must:

131.29 (1) provide support for an individual's family and natural supports by enabling the
131.30 individual's family and natural supports to observe and participate in the individual's
131.31 treatment, assessments, and planning services;

132.1 (2) implement culturally specific treatment identified in the crisis treatment plan that is
132.2 meaningful and appropriate as determined by the individual's culture, beliefs, values, and
132.3 language;

132.4 (3) respond to the changing intervention and care needs of an individual as identified
132.5 by the individual or a family member; and

132.6 (4) have the communication tools and procedures to communicate and consult promptly
132.7 about crisis assessment and interventions as services occur.

132.8 (d) The license holder must coordinate services with:

132.9 (1) county emergency services under section 245.469, community hospitals, ambulance,
132.10 transportation services, social services, law enforcement, engagement services, and mental
132.11 health crisis services through regularly scheduled interagency meetings;

132.12 (2) other behavioral health service providers, county mental health authorities, or federally
132.13 recognized American Indian authorities and others as necessary, with the consent of the
132.14 individual or parent or guardian;

132.15 (3) detoxification, withdrawal management services, and medical stabilization services
132.16 as required by clients; and

132.17 (4) the individual's case manager if the individual is receiving case management services.

132.18 **Subd. 5. Crisis assessment and intervention staff qualifications.** (a) Crisis assessment
132.19 and intervention services must be provided by:

132.20 (1) a mental health professional qualified under section 245I.04, subdivision 2;

132.21 (2) a clinical trainee qualified under section 245I.04, subdivision 6;

132.22 (3) a behavioral health practitioner qualified under section 245I.04, subdivision 4;

132.23 (4) a mental health certified family peer specialist qualified under section 245I.04,
132.24 subdivision 12; or

132.25 (5) a mental health certified peer specialist qualified under section 245I.04, subdivision
132.26 10.

132.27 (b) When crisis assessment and intervention services are provided to an individual in
132.28 the community, a mental health professional, clinical trainee, or mental health practitioner
132.29 must lead the response.

132.30 (c) For providers under this section, the 30 hours of ongoing training required by section
132.31 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children

133.1 and adults and include training about evidence-based practices identified by the commissioner
133.2 of health to reduce the individual's risk of suicide and self-injurious behavior.

133.3 (d) At least six hours of the ongoing training under paragraph (c) must be specific to
133.4 working with families and providing crisis stabilization services to children and include the
133.5 following topics:

133.6 (1) developmental tasks of childhood and adolescence;

133.7 (2) family relationships;

133.8 (3) child and youth engagement and motivation, including motivational interviewing;

133.9 (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and
133.10 queer youth;

133.11 (5) positive behavior support;

133.12 (6) crisis intervention for youth with developmental disabilities;

133.13 (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral
133.14 therapy; and

133.15 (8) youth substance use.

133.16 (e) Individual providers must be experienced in crisis assessment, crisis intervention
133.17 techniques, treatment engagement strategies, working with families, and clinical decision
133.18 making under emergency conditions and have knowledge of local services and resources.

133.19 Subd. 6. **Crisis screening.** (a) A license holder may use the resources of emergency
133.20 services under section 245.469 for crisis screening. The crisis screening must gather
133.21 information, determine whether a mental health crisis situation exists, identify parties
133.22 involved, and determine an appropriate response.

133.23 (b) When conducting a crisis screening, a provider must:

133.24 (1) employ evidence-based practices to reduce the individual's risk of suicide and
133.25 self-injurious behavior;

133.26 (2) work with the individual to establish a plan and time frame for responding to the
133.27 individual's mental health crisis, including responding to the individual's immediate need
133.28 for support by telephone or text message until the provider can respond to the individual
133.29 face-to-face;

133.30 (3) document significant factors in determining whether the individual is experiencing
133.31 a mental health crisis, including prior requests for crisis services, an individual's recent

134.1 presentation at an emergency department, known calls to 911 or law enforcement, or
 134.2 information from third parties with knowledge of an individual's history or current needs;

134.3 (4) accept calls from interested third parties and consider the additional needs or potential
 134.4 mental health crises that the third parties may be experiencing;

134.5 (5) provide psychoeducation, including means reduction, to relevant third parties
 134.6 including family members or other persons living with the individual; and

134.7 (6) consider other available services to determine which service intervention would best
 134.8 address the individual's needs and circumstances.

134.9 (c) For the purposes of this section, the following situations indicate a positive screen
 134.10 for a potential mental health crisis and the provider must prioritize providing a face-to-face
 134.11 crisis assessment of the individual, unless a provider documents specific evidence to show
 134.12 why the face-to-face assessment was not possible, including insufficient staffing resources,
 134.13 concerns for staff or individual safety, or other clinical factors:

134.14 (1) the individual presents at an emergency department or urgent care setting and the
 134.15 health care team at that location requested crisis services; or

134.16 (2) a peace officer requested crisis services for an individual who is potentially subject
 134.17 to transportation under section 253B.051.

134.18 (d) A provider is not required to have direct contact with the individual to determine
 134.19 that the individual is experiencing a potential mental health crisis. A mobile crisis provider
 134.20 may gather relevant information about the individual from a third party to establish the
 134.21 individual's need for services and potential safety factors.

134.22 Subd. 7. **Crisis assessment.** (a) If an individual screens positive for a potential mental
 134.23 health crisis, a crisis assessment must be completed. A crisis assessment must evaluate any
 134.24 immediate needs for which services are needed and, as time permits, the individual's:

134.25 (1) current life situation;

134.26 (2) health information, including current medications;

134.27 (3) sources of stress;

134.28 (4) mental health problems and symptoms;

134.29 (5) strengths;

134.30 (6) cultural considerations;

134.31 (7) support network;

135.1 (8) vulnerabilities;

135.2 (9) current functioning; and

135.3 (10) preferences as communicated directly by the individual or as communicated in a
135.4 health care directive as described in chapters 145C and 253B, the crisis treatment plan
135.5 described in subdivision 11, a crisis prevention plan, or a wellness recovery action plan.

135.6 (b) A provider must conduct a crisis assessment at the individual's location when
135.7 appropriate and, when not appropriate, document the reasons.

135.8 (c) Whenever possible, the assessor must attempt to include input from the individual
135.9 and the individual's family and other natural supports to assess whether a crisis exists.

135.10 (d) A crisis assessment includes determining whether the individual is willing to
135.11 voluntarily engage in treatment, whether the individual has an advance directive, and
135.12 gathering the individual's information and history from involved family or other natural
135.13 supports.

135.14 (e) If the individual does not need an acute level of care, a team must serve an otherwise
135.15 eligible individual who has a co-occurring substance use disorder.

135.16 (f) If after completing a crisis assessment of an individual, a provider refers the individual
135.17 to an intensive setting, including an emergency department, inpatient hospitalization, or
135.18 residential crisis stabilization, one of the crisis team members who completed or conferred
135.19 about the individual's crisis assessment must immediately contact the referral entity and
135.20 consult with the triage nurse or other staff responsible for intake at the referral entity. During
135.21 the consultation, the crisis team member must convey key findings or concerns that led to
135.22 the individual's referral. Following the consultation, the provider must also send written
135.23 documentation to the referral entity upon completion. The provider must document if the
135.24 individual or the individual's legal guardian signed releases for health records or if an
135.25 exception under section 144.293, subdivision 5, exists.

135.26 Subd. 8. **Crisis intervention services.** (a) If the crisis assessment determines an individual
135.27 needs mobile crisis intervention services, the license holder must provide crisis intervention
135.28 services promptly. As opportunity presents during the intervention, at least two members
135.29 of the mobile crisis intervention team must confer directly or by telephone about the crisis
135.30 assessment, crisis treatment plan, and actions taken and needed. At least one of the team
135.31 members must be providing face-to-face crisis intervention services. If providing crisis
135.32 intervention services, a clinical trainee or mental health practitioner must seek treatment
135.33 supervision as required in subdivision 10.

136.1 (b) If a provider delivers crisis intervention services while the individual is absent, the
136.2 provider must document the reason for delivering services while the individual is absent.

136.3 (c) The mobile crisis intervention team must develop a crisis treatment plan according
136.4 to subdivision 11.

136.5 (d) The mobile crisis intervention team must document which crisis treatment plan goals
136.6 and objectives have been met and when no further crisis intervention services are required.

136.7 (e) If the individual's mental health crisis is stabilized, but the individual needs a referral
136.8 to other services, the team must provide referrals to these services. If the individual is unable
136.9 to follow up on the referral, the team must link the individual to the service and follow up
136.10 to ensure the individual is receiving the service.

136.11 Subd. 9. Crisis stabilization services. (a) Crisis stabilization services must be provided
136.12 by qualified staff of a crisis stabilization services provider entity which must:

136.13 (1) develop a crisis treatment plan that meets the criteria in subdivision 11;

136.14 (2) complete a vulnerable adult determination in accordance with section 245A.65,
136.15 subdivision 1a;

136.16 (3) deliver crisis stabilization services according to the crisis treatment plan and include
136.17 face-to-face contact with the individual receiving services by qualified staff for further
136.18 assessment, help with referrals, updating of the crisis treatment plan, skills training, and
136.19 collaboration with other service providers in the community;

136.20 (4) if the provider delivers crisis stabilization services while the individual is absent,
136.21 document the reason for delivering services while the individual is absent; and

136.22 (5) if the individual's mental health crisis is stabilized and the individual does not have
136.23 a health care directive or psychiatric declaration, as defined in chapter 145C or section
136.24 253B.03, subdivision 6d, offer to work with the individual to develop a directive or
136.25 declaration.

136.26 (b) A staff member providing crisis stabilization services must be:

136.27 (1) a mental health professional qualified under section 245I.04, subdivision 2;

136.28 (2) a certified rehabilitation specialist qualified under section 245I.04, subdivision 8;

136.29 (3) a clinical trainee qualified under section 245I.04, subdivision 6;

136.30 (4) a behavioral health practitioner qualified under section 245I.04, subdivision 4;

137.1 (5) a mental health certified family peer specialist qualified under section 245I.04,
137.2 subdivision 12;

137.3 (6) a mental health certified peer specialist qualified under section 245I.04, subdivision
137.4 10; or

137.5 (7) a mental health rehabilitation worker qualified under section 245I.04, subdivision
137.6 14.

137.7 (c) For providers under this section, the 30 hours of ongoing training required in section
137.8 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children
137.9 and adults and include training about evidence-based practices identified by the commissioner
137.10 of health to reduce an individual's risk of suicide and self-injurious behavior.

137.11 (d) For providers who deliver care to children 21 years of age or younger, at least six
137.12 hours of the ongoing training under this subdivision must be specific to working with families
137.13 and providing crisis stabilization services to children, including the following topics:

137.14 (1) developmental tasks of childhood and adolescence;

137.15 (2) family relationships;

137.16 (3) child and youth engagement and motivation, including motivational interviewing;

137.17 (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and
137.18 queer youth;

137.19 (5) positive behavior support;

137.20 (6) crisis intervention for youth with developmental disabilities;

137.21 (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral
137.22 therapy; and

137.23 (8) youth substance use.

137.24 This paragraph does not apply to adult residential crisis stabilization services providers
137.25 licensed under section 245I.23 or providing services pursuant to section 256B.0624,
137.26 subdivision 7a.

137.27 Subd. 10. **Supervision.** Clinical trainees and mental health practitioners may provide
137.28 crisis assessment and crisis intervention services if the following treatment supervision
137.29 requirements are met:

137.30 (1) the license holder must accept full responsibility for the services provided;

138.1 (2) a mental health professional working for the license holder must be immediately
138.2 available by telephone or in person for treatment supervision;

138.3 (3) a mental health professional must be consulted, in person or by telephone, during
138.4 the first three hours when a clinical trainee or mental health practitioner provides crisis
138.5 assessment or crisis intervention services; and

138.6 (4) a mental health professional must:

138.7 (i) review and approve, as defined in section 245I.02, subdivision 2, the tentative crisis
138.8 assessment and crisis treatment plan within 24 hours of first providing services to the
138.9 individual, notwithstanding section 245I.08, subdivision 3; and

138.10 (ii) document the consultation required in clause (3).

138.11 Subd. 11. **Crisis treatment plan.** (a) Within 24 hours of an individual's admission, the
138.12 license holder must complete the individual's crisis treatment plan. The license holder must:

138.13 (1) base the individual's crisis treatment plan on the individual's crisis assessment;

138.14 (2) consider crisis assistance strategies that have been effective for the individual in the
138.15 past;

138.16 (3) for a child, use a child-centered, family-driven, and culturally appropriate planning
138.17 process that allows the child's parents and guardians to observe or participate in the child's
138.18 individual and family treatment services, assessment, and treatment planning;

138.19 (4) for an adult, use a person-centered, culturally appropriate planning process that allows
138.20 the individual's family and other natural supports to observe or participate in treatment
138.21 services, assessment, and treatment planning;

138.22 (5) identify the participants involved in the individual's treatment planning. The individual
138.23 must be a participant if possible;

138.24 (6) identify the individual's initial treatment goals, measurable treatment objectives, and
138.25 specific interventions that the license holder will use to help the person engage in treatment;

138.26 (7) include documentation of referral to and scheduling of services, including specific
138.27 providers where applicable;

138.28 (8) ensure that the individual or the individual's legal guardian approves under section
138.29 245I.02, subdivision 2, of the individual's crisis treatment plan unless a court orders the
138.30 individual's treatment plan under chapter 253B. If the individual or the individual's legal
138.31 guardian disagrees with the crisis treatment plan, the license holder must document in the
138.32 client file the reasons why the individual disagrees with the crisis treatment plan; and

139.1 (9) ensure that a treatment supervisor approves, as defined in section 245I.02, subdivision
139.2 2, of the individual's treatment plan within 24 hours of the individual's admission if a mental
139.3 health practitioner or clinical trainee completes the crisis treatment plan, notwithstanding
139.4 section 245I.08, subdivision 3.

139.5 (b) The provider entity must provide the individual and the individual's legal guardian
139.6 with a copy of the crisis treatment plan.

139.7 Subd. 12. **Application requirements.** In an application made under this section and
139.8 section 245A.04, the applicant must demonstrate that the applicant is:

139.9 (1) enrolled as a medical assistance provider; and

139.10 (2) in compliance with the provider type requirements under section 256B.0624,
139.11 subdivision 4, as determined by the commissioner.

139.12 Sec. 34. **[245I.30] CHILDREN'S THERAPEUTIC SERVICES AND SUPPORTS IN**
139.13 **THE COMMUNITY.**

139.14 Subdivision 1. **Generally.** (a) "Children's therapeutic services and supports" means the
139.15 flexible package of mental health services for children who require varying therapeutic and
139.16 rehabilitative levels of intervention to treat a diagnosed mental illness. The services are
139.17 interventions that are delivered using various treatment modalities and combinations of
139.18 services designed to reach treatment outcomes identified in the individual treatment plan.
139.19 Children's therapeutic services and supports include development and rehabilitative services
139.20 that support a child's developmental treatment needs.

139.21 (b) Beginning January 1, 2028, a provider of children's therapeutic services and supports
139.22 in the community must be licensed under this section and chapter 245A.

139.23 Subd. 2. **Service components.** (a) A children's therapeutic services and supports license
139.24 holder must be capable of providing:

139.25 (1) individual and family psychotherapy, psychotherapy for crises, and group
139.26 psychotherapy;

139.27 (2) individual, family, or group skills training; and

139.28 (3) crisis planning.

139.29 (b) Crisis planning that meets the standards in section 245.4871, subdivision 9a, must
139.30 be offered to each client's family.

140.1 Subd. 3. **Provider requirements.** A children's therapeutic services and supports license
140.2 holder must be enrolled with medical assistance and comply with the requirements in section
140.3 256B.0943.

140.4 Subd. 4. **Qualifications of provider staff.** Children's therapeutic services and supports
140.5 must be provided by:

140.6 (1) a mental health professional qualified under section 245I.04, subdivision 2;

140.7 (2) a clinical trainee qualified under section 245I.04, subdivision 6;

140.8 (3) a behavioral health practitioner qualified under section 245I.04, subdivision 4;

140.9 (4) a mental health certified family peer specialist qualified under section 245I.04,
140.10 subdivision 12; or

140.11 (5) a mental health behavioral aide qualified under section 245I.04, subdivision 16.

140.12 Subd. 5. **Group modality.** Group skills training may be provided to multiple clients
140.13 who, because of the nature of the clients' emotional, behavioral, or social dysfunction, can
140.14 derive mutual benefit from interaction in a group setting. A group is defined as two to ten
140.15 clients, at least one of whom is a client and is concurrently receiving a service under this
140.16 section. The service and group must be specified in the client's individual treatment plan.

140.17 Sec. 35. **[245I.31] CHILDREN'S DAY TREATMENT.**

140.18 Subdivision 1. **Generally.** (a) For the purposes of this section, "children's day treatment
140.19 program" means a site-based structured mental health program consisting of psychotherapy
140.20 and individual or group skills training provided by a team under the treatment supervision
140.21 of a mental health professional.

140.22 (b) Children's day treatment programs are licensed for a specific location of operation
140.23 and are not part of inpatient or residential treatment services.

140.24 (c) A children's day treatment program must stabilize a client's mental health status while
140.25 developing and improving the client's independent living and socialization skills. The goal
140.26 of the day treatment program must be to reduce or relieve the effects of mental illness and
140.27 provide training to enable the client to live in the community.

140.28 (d) Beginning January 1, 2028, a provider of children's day services must be licensed
140.29 under this section and chapter 245A.

140.30 Subd. 2. **Service components.** A children's day treatment program must be capable of
140.31 providing the services in section 245I.30, subdivision 2.

141.1 Subd. 3. **Provider requirements.** A children's day treatment license holder must:

141.2 (1) be enrolled as a provider with medical assistance;

141.3 (2) maintain a policy regarding the use of restrictive procedures and meet the requirements
141.4 of section 245.8261;

141.5 (3) maintain a policy on medications in accordance with section 245I.11, subdivision
141.6 6; and

141.7 (4) meet group modality requirements in section 245I.30, subdivision 5.

141.8 Subd. 4. **Qualifications of provider staff.** Children's day treatment services must be
141.9 provided by:

141.10 (1) a mental health professional qualified under section 245I.04, subdivision 2;

141.11 (2) a clinical trainee qualified under section 245I.04, subdivision 6; or

141.12 (3) a behavioral health practitioner qualified under section 245I.04, subdivision 4.

141.13 Sec. 36. Minnesota Statutes 2024, section 256B.0623, subdivision 1, is amended to read:

141.14 Subdivision 1. **Scope.** ~~Subject to federal approval,~~ Medical assistance covers medically
141.15 necessary adult rehabilitative mental health services when the services are provided by an
141.16 entity ~~meeting the standards in this section~~ licensed under section 245I.24. The provider
141.17 entity must make reasonable and good faith efforts to report individual client outcomes to
141.18 the commissioner, using instruments and protocols approved by the commissioner.

141.19 **EFFECTIVE DATE.** This section is effective January 1, 2028.

141.20 Sec. 37. Minnesota Statutes 2024, section 256B.0623, subdivision 3, is amended to read:

141.21 Subd. 3. **Eligibility.** An eligible recipient is an individual who:

141.22 (1) is age 18 or older;

141.23 (2) is diagnosed with a medical condition, such as mental illness or traumatic brain
141.24 injury, for which adult rehabilitative mental health services are needed;

141.25 (3) has substantial disability and functional impairment in three or more of the areas
141.26 listed in section 245I.10, subdivision 9, paragraph (a), clause (4), so that self-sufficiency is
141.27 markedly reduced; and

141.28 (4) has had a recent standard diagnostic assessment pursuant to section 245I.10,
141.29 subdivision 6, by a qualified professional that documents adult rehabilitative mental health

142.1 services are medically necessary to address identified disability and functional impairments
142.2 and individual recipient goals.

142.3 **EFFECTIVE DATE.** This section is effective January 1, 2028.

142.4 Sec. 38. Minnesota Statutes 2024, section 256B.0623, subdivision 12, is amended to read:

142.5 Subd. 12. **Additional requirements.** ~~(a) Providers of adult rehabilitative mental health~~
142.6 ~~services must comply with the requirements relating to referrals for case management in~~
142.7 ~~section 245.467, subdivision 4.~~

142.8 ~~(b) Adult rehabilitative mental health services are provided for most recipients in the~~
142.9 ~~recipient's home and community. Services may also be provided at the home of a relative~~
142.10 ~~or significant other, job site, psychosocial clubhouse, drop-in center, social setting, classroom,~~
142.11 ~~or other places in the community. (a) Except for "transition to community services," the~~
142.12 place of service does not include a regional treatment center, nursing home, residential
142.13 treatment facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0670 (Rule 36),
142.14 or section 245I.23, or an acute care hospital.

142.15 ~~(e) Adult rehabilitative mental health services may be provided in group settings if~~
142.16 ~~appropriate to each participating recipient's needs and individual treatment plan. A group~~
142.17 ~~is defined as two to ten clients, at least one of whom is a recipient, who is concurrently~~
142.18 ~~receiving a service which is identified in this section. The service and group must be specified~~
142.19 ~~in the recipient's individual treatment plan. (b) No more than two qualified staff may bill~~
142.20 Medicaid for services provided to the same group of recipients. If two adult rehabilitative
142.21 mental health workers bill for recipients in the same group session, they must each bill for
142.22 different recipients.

142.23 ~~(d)~~ (c) Adult rehabilitative mental health services are appropriate if provided to enable
142.24 a recipient to retain stability and functioning, when the recipient is at risk of significant
142.25 functional decompensation or requiring more restrictive service settings without these
142.26 services.

142.27 ~~(e) Adult rehabilitative mental health services instruct, assist, and support the recipient~~
142.28 ~~in areas including: interpersonal communication skills, community resource utilization and~~
142.29 ~~integration skills, crisis planning, relapse prevention skills, health care directives, budgeting~~
142.30 ~~and shopping skills, healthy lifestyle skills and practices, cooking and nutrition skills,~~
142.31 ~~transportation skills, medication education and monitoring, mental illness symptom~~
142.32 ~~management skills, household management skills, employment-related skills, parenting~~
142.33 ~~skills, and transition to community living services.~~

143.1 ~~(f) Community intervention, including consultation with relatives, guardians, friends,~~
 143.2 ~~employers, treatment providers, and other significant individuals, is appropriate when~~
 143.3 ~~directed exclusively to the treatment of the client.~~

143.4 **EFFECTIVE DATE.** This section is effective January 1, 2028.

143.5 Sec. 39. Minnesota Statutes 2024, section 256B.0624, subdivision 1, is amended to read:

143.6 Subdivision 1. **Scope.** (a) ~~Subject to federal approval,~~ Medical assistance covers medically
 143.7 necessary crisis response services when the services are provided according to the standards
 143.8 in ~~this section~~ 245I.24.

143.9 (b) ~~Subject to federal approval,~~ Medical assistance covers medically necessary residential
 143.10 crisis stabilization for adults when the services are provided by an entity licensed under and
 143.11 meeting the standards in section 245I.23 or an entity with an adult foster care license meeting
 143.12 the standards in ~~this section~~ subdivision 7a.

143.13 (c) The provider entity must make reasonable and good faith efforts to report individual
 143.14 client outcomes to the commissioner using instruments and protocols approved by the
 143.15 commissioner.

143.16 **EFFECTIVE DATE.** This section is effective January 1, 2028.

143.17 Sec. 40. Minnesota Statutes 2024, section 256B.0624, subdivision 4, is amended to read:

143.18 Subd. 4. **Provider entity standards.** (a) A mobile crisis provider must be:

143.19 (1) a county board operated entity;

143.20 (2) an Indian health services facility or facility owned and operated by a tribe or Tribal
 143.21 organization operating under United States Code, title 325, section 450f; or

143.22 (3) a provider entity that is under contract with the county board in the county where
 143.23 the potential crisis or emergency is occurring. To provide services under this section, the
 143.24 provider entity must directly provide the services; or if services are subcontracted, the
 143.25 provider entity must maintain responsibility for services and billing.

143.26 ~~(b) A mobile crisis provider must meet the following standards:~~

143.27 ~~(1) ensure that crisis screenings, crisis assessments, and crisis intervention services are~~
 143.28 ~~available to a recipient 24 hours a day, seven days a week;~~

143.29 ~~(2) be able to respond to a call for services in a designated service area or according to~~
 143.30 ~~a written agreement with the local mental health authority for an adjacent area;~~

144.1 ~~(3) have at least one mental health professional on staff at all times and at least one~~
144.2 ~~additional staff member capable of leading a crisis response in the community; and~~

144.3 ~~(4) provide the commissioner with information about the number of requests for service,~~
144.4 ~~the number of people that the provider serves face-to-face, outcomes, and the protocols that~~
144.5 ~~the provider uses when deciding when to respond in the community.~~

144.6 ~~(e) A provider entity that provides crisis stabilization services in a residential setting~~
144.7 ~~under subdivision 7 is not required to meet the requirements of paragraphs (a) and (b), but~~
144.8 ~~must meet all other requirements of this subdivision.~~

144.9 ~~(d) A crisis services provider must have the capacity to meet and carry out the standards~~
144.10 ~~in section 245I.011, subdivision 5, and the following standards:~~

144.11 ~~(1) ensures that staff persons provide support for a recipient's family and natural supports,~~
144.12 ~~by enabling the recipient's family and natural supports to observe and participate in the~~
144.13 ~~recipient's treatment, assessments, and planning services;~~

144.14 ~~(2) has adequate administrative ability to ensure availability of services;~~

144.15 ~~(3) is able to ensure that staff providing these services are skilled in the delivery of~~
144.16 ~~mental health crisis response services to recipients;~~

144.17 ~~(4) is able to ensure that staff are implementing culturally specific treatment identified~~
144.18 ~~in the crisis treatment plan that is meaningful and appropriate as determined by the recipient's~~
144.19 ~~culture, beliefs, values, and language;~~

144.20 ~~(5) is able to ensure enough flexibility to respond to the changing intervention and care~~
144.21 ~~needs of a recipient as identified by the recipient or family member during the service~~
144.22 ~~partnership between the recipient and providers;~~

144.23 ~~(6) is able to ensure that staff have the communication tools and procedures to~~
144.24 ~~communicate and consult promptly about crisis assessment and interventions as services~~
144.25 ~~occur;~~

144.26 ~~(7) is able to coordinate these services with county emergency services, community~~
144.27 ~~hospitals, ambulance, transportation services, social services, law enforcement, engagement~~
144.28 ~~services, and mental health crisis services through regularly scheduled interagency meetings;~~

144.29 ~~(8) is able to ensure that services are coordinated with other behavioral health service~~
144.30 ~~providers, county mental health authorities, or federally recognized American Indian~~
144.31 ~~authorities and others as necessary, with the consent of the recipient or parent or guardian.~~

145.1 ~~Services must also be coordinated with the recipient's case manager if the recipient is~~
145.2 ~~receiving case management services;~~

145.3 ~~(9) is able to ensure that crisis intervention services are provided in a manner consistent~~
145.4 ~~with sections 245.461 to 245.486 and 245.487 to 245.4879;~~

145.5 ~~(10) is able to coordinate detoxification services for the recipient according to Minnesota~~
145.6 ~~Rules, parts 9530.6605 to 9530.6655, or withdrawal management according to chapter 245F;~~

145.7 ~~(11) is able to establish and maintain a quality assurance and evaluation plan to evaluate~~
145.8 ~~the outcomes of services and recipient satisfaction; and~~

145.9 ~~(12) is an enrolled medical assistance provider.~~

145.10 (b) A mobile crisis provider must ensure services are provided consistent with section
145.11 245.469, subdivisions 1 and 2.

145.12 **EFFECTIVE DATE.** This section is effective January 1, 2028.

145.13 Sec. 41. Minnesota Statutes 2024, section 256B.0624, is amended by adding a subdivision
145.14 to read:

145.15 Subd. 7a. **Residential crisis stabilization services in adult foster care settings.** (a) If
145.16 crisis stabilization services are provided in a supervised, licensed residential setting that
145.17 serves no more than four adult residents and one or more individuals are present at the
145.18 setting to receive residential crisis stabilization, the residential staff must include, for at
145.19 least eight hours per day, at least one mental health professional, clinical trainee, certified
145.20 rehabilitation specialist, or mental health practitioner. The commissioner must establish a
145.21 statewide per diem rate for crisis stabilization services provided under this paragraph to
145.22 medical assistance enrollees. The rate for a provider must not exceed the rate charged by
145.23 that provider for the same service to other payers. Payment must not be made to more than
145.24 one entity for each individual for services provided under this paragraph on a given day.
145.25 The commissioner must set rates prospectively for the annual rate period. The commissioner
145.26 must require providers to submit annual cost reports on a uniform cost reporting form and
145.27 use submitted cost reports to inform the rate-setting process. The commissioner must
145.28 recalculate the statewide per diem every year.

145.29 (b) A provider under this subdivision must follow the requirements under section 245I.24,
145.30 subdivisions 4, paragraphs (c) and (d), and 9.

145.31 **EFFECTIVE DATE.** This section is effective January 1, 2028.

146.1 Sec. 42. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 5m, is
146.2 amended to read:

146.3 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
146.4 assistance covers services provided by a not-for-profit certified community behavioral health
146.5 clinic (CCBHC) that meets the requirements of section ~~245.735, subdivision 3~~ 245I.17.

146.6 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
146.7 eligible service is delivered using the CCBHC daily bundled rate system for medical
146.8 assistance payments as described in paragraph (c). The commissioner shall include a quality
146.9 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
146.10 There is no county share for medical assistance services when reimbursed through the
146.11 CCBHC daily bundled rate system.

146.12 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
146.13 payments under medical assistance meets the following requirements:

146.14 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
146.15 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
146.16 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
146.17 payment rate, total annual visits include visits covered by medical assistance and visits not
146.18 covered by medical assistance. Allowable costs include but are not limited to the salaries
146.19 and benefits of medical assistance providers; the cost of CCBHC services provided under
146.20 section ~~245.735, subdivision 3, paragraph (a), clauses (6) and (7)~~ 245I.17, subdivision 4;
146.21 and other costs such as insurance or supplies needed to provide CCBHC services;

146.22 (2) payment shall be limited to one payment per day per medical assistance enrollee
146.23 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
146.24 if at least one of the CCBHC services listed under section ~~245.735, subdivision 3, paragraph~~
146.25 ~~(a), clause (6)~~ 245I.17, subdivision 4, is furnished to a medical assistance enrollee by a
146.26 health care practitioner or licensed agency employed by or under contract with a CCBHC;

146.27 (3) initial CCBHC daily bundled rates for newly ~~certified~~ licensed CCBHCs under
146.28 section ~~245.735, subdivision 3~~ 245I.17, shall be established by the commissioner using a
146.29 provider-specific rate based on the newly ~~certified~~ licensed CCBHC's audited historical
146.30 cost report data adjusted for the expected cost of delivering CCBHC services. Estimates
146.31 are subject to review by the commissioner and must include the expected cost of providing
146.32 the full scope of CCBHC services and the expected number of visits for the rate period;

146.33 (4) the commissioner shall rebase CCBHC rates once every two years following the last
146.34 rebasing and no less than 12 months following an initial rate or a rate change due to a change

147.1 in the scope of services. For CCBHCs certified after September 30, 2020, and before January
147.2 1, 2021, the commissioner shall rebase rates according to this clause for services provided
147.3 on or after January 1, 2024;

147.4 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
147.5 of the rebasing;

147.6 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
147.7 Medicaid rate is not eligible for the CCBHC rate methodology;

147.8 (7) payments for CCBHC services to individuals enrolled in managed care shall be
147.9 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
147.10 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
147.11 of the CCBHC daily bundled rate system in the Medicaid Management Information System
147.12 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
147.13 due made payable to CCBHCs no later than 18 months thereafter;

147.14 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
147.15 provider-specific rate by the Medicare Economic Index for primary care services. This
147.16 update shall occur each year in between rebasing periods determined by the commissioner
147.17 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
147.18 annually using the CCBHC cost report established by the commissioner; and

147.19 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
147.20 services when such changes are expected to result in an adjustment to the CCBHC payment
147.21 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
147.22 regarding the changes in the scope of services, including the estimated cost of providing
147.23 the new or modified services and any projected increase or decrease in the number of visits
147.24 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
147.25 adjustments for changes in scope shall occur no more than once per year in between rebasing
147.26 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

147.27 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
147.28 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
147.29 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
147.30 any contract year, federal approval is not received for this paragraph, the commissioner
147.31 must adjust the capitation rates paid to managed care plans and county-based purchasing
147.32 plans for that contract year to reflect the removal of this provision. Contracts between
147.33 managed care plans and county-based purchasing plans and providers to whom this paragraph
147.34 applies must allow recovery of payments from those providers if capitation rates are adjusted

148.1 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
148.2 to any increase in rates that results from this provision. This paragraph expires if federal
148.3 approval is not received for this paragraph at any time.

148.4 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
148.5 that meets the following requirements:

148.6 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
148.7 thresholds for performance metrics established by the commissioner, in addition to payments
148.8 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
148.9 paragraph (c);

148.10 (2) a CCBHC must be ~~certified~~ licensed and enrolled as a CCBHC for the entire
148.11 measurement year to be eligible for incentive payments;

148.12 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
148.13 receive quality incentive payments at least 90 days prior to the measurement year; and

148.14 (4) a CCBHC must provide the commissioner with data needed to determine incentive
148.15 payment eligibility within six months following the measurement year. The commissioner
148.16 shall notify CCBHC providers of their performance on the required measures and the
148.17 incentive payment amount within 12 months following the measurement year.

148.18 (f) All claims to managed care plans for CCBHC services as provided under this section
148.19 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
148.20 than January 1 of the following calendar year, if:

148.21 (1) one or more managed care plans does not comply with the federal requirement for
148.22 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
148.23 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
148.24 days of noncompliance; and

148.25 (2) the total amount of clean claims not paid in accordance with federal requirements
148.26 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
148.27 eligible for payment by managed care plans.

148.28 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
148.29 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
148.30 the following year. If the conditions in this paragraph are met between July 1 and December
148.31 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
148.32 on July 1 of the following year.

149.1 (g) Peer services provided by a CCBHC ~~certified~~ licensed under section ~~245.735~~ 245I.17
 149.2 are a covered service under medical assistance when a licensed mental health professional
 149.3 or alcohol and drug counselor determines that peer services are medically necessary.
 149.4 Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility
 149.5 standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2a, paragraph
 149.6 (b), clause (2).

149.7 **EFFECTIVE DATE.** This section is effective January 1, 2028.

149.8 Sec. 43. Minnesota Statutes 2024, section 256B.0943, subdivision 2, is amended to read:

149.9 **Subd. 2. Covered service components of children's therapeutic services and**
 149.10 **supports.** (a) Subject to federal approval, medical assistance covers medically necessary
 149.11 children's therapeutic services and supports when the services are provided by an eligible
 149.12 provider entity ~~certified under and meeting the standards in this section~~ licensed under
 149.13 section 245I.30 or children's day treatment services licensed under section 245I.31. The
 149.14 provider entity must make reasonable and good faith efforts to report individual client
 149.15 outcomes to the commissioner, using instruments and protocols approved by the
 149.16 commissioner.

149.17 (b) The covered service components of children's therapeutic services and supports are:

149.18 ~~(1) patient and/or family psychotherapy, family psychotherapy, psychotherapy for crisis,~~
 149.19 ~~and group psychotherapy;~~

149.20 ~~(2) individual, family, or group skills training provided by a mental health professional,~~
 149.21 ~~clinical trainee, or mental health practitioner;~~

149.22 ~~(3) crisis planning;~~

149.23 ~~(4) mental health behavioral aide services;~~

149.24 (1) the services described in section 245I.30, subdivision 2, by providers licensed under
 149.25 section 245I.30 or 245I.31;

149.26 (2) administration of standardized measures;

149.27 ~~(5)~~ (3) direction of a mental health behavioral aide; and

149.28 ~~(6)~~ (4) mental health service plan development; and

149.29 ~~(7) children's day treatment.~~

149.30 (c) In delivering services under this section, a licensed provider entity must ensure that
 149.31 psychotherapy to address a child's underlying mental health disorder is documented as part

150.1 of the child's ongoing treatment. A provider must deliver or arrange for medically necessary
150.2 psychotherapy unless the child's parent or caregiver chooses not to receive the psychotherapy
150.3 or the provider determines that psychotherapy is no longer medically necessary. When a
150.4 provider determines that psychotherapy is no longer medically necessary, the provider must
150.5 update required documentation, including but not limited to the individual treatment plan,
150.6 the child's medical record, or other authorizations, to include the determination. When a
150.7 provider determines that a child needs psychotherapy but psychotherapy cannot be delivered
150.8 due to a shortage of licensed mental health professionals in the child's community, the
150.9 provider must document the lack of access in the child's medical record.

150.10 (d) Medical assistance covers service plan development before completion of a child's
150.11 individual treatment plan. Service plan development consists of development, review, and
150.12 revision of the individual treatment plan by face-to-face or electronic communication,
150.13 including time spent gathering client history from other key figures or providers. The provider
150.14 must document events, including the time spent with the family and other key participants
150.15 in the child's life to approve the individual treatment plan. Service plan development is
150.16 covered only if a treatment plan is completed or for work already completed at the time the
150.17 client voluntarily chooses to disengage with services for the child. If it is determined upon
150.18 review that a treatment plan was not completed for the child, the commissioner shall recover
150.19 the payment for the service plan development.

150.20 (e) Medical assistance covers time spent administering and reporting standardized
150.21 measures approved by the commissioner.

150.22 **EFFECTIVE DATE.** This section is effective January 1, 2028.

150.23 Sec. 44. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 3, is
150.24 amended to read:

150.25 Subd. 3. **Determination of client eligibility.** (a) A client's eligibility to receive children's
150.26 therapeutic services and supports under this section shall be determined based on a standard
150.27 diagnostic assessment by a mental health professional or a clinical trainee that is performed
150.28 within one year before the initial start of service and updated as required under section
150.29 245I.10, subdivision 2. The standard diagnostic assessment must:

150.30 (1) ~~determine whether a child under age 18 has a diagnosis of mental illness or, if the~~
150.31 ~~person is between the ages of 18 and 21, whether the person has a mental illness; and~~ and

151.1 (2) document children's therapeutic services and supports as medically necessary to
151.2 address an identified disability, functional impairment, and the individual client's needs and
151.3 goals; ~~and~~.

151.4 ~~(3) be used in the development of the individual treatment plan.~~

151.5 (b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to
151.6 five days of day treatment under this section based on a hospital's medical history and
151.7 presentation examination of the client.

151.8 ~~(c) Children's therapeutic services and supports include development and rehabilitative~~
151.9 ~~services that support a child's developmental treatment needs.~~

151.10 Sec. 45. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 12, is
151.11 amended to read:

151.12 Subd. 12. **Excluded services.** (a) The following services are not eligible for medical
151.13 assistance payment as children's therapeutic services and supports:

151.14 (1) service components of children's therapeutic services and supports simultaneously
151.15 provided by more than one provider entity unless prior authorization is obtained;

151.16 (2) treatment by multiple providers within the same agency at the same clock time,
151.17 unless one service is delivered to the child and the other service is delivered to the child's
151.18 family or treatment team without the child present;

151.19 (3) children's therapeutic services and supports provided in violation of medical assistance
151.20 policy in Minnesota Rules, part 9505.0220;

151.21 (4) mental health behavioral aide services provided by a personal care assistant who is
151.22 not qualified as a mental health behavioral aide and employed by a certified children's
151.23 therapeutic services and supports provider entity;

151.24 (5) service components of CTSS that are the responsibility of a residential or program
151.25 license holder, including foster care providers under the terms of a service agreement or
151.26 administrative rules governing licensure; and

151.27 (6) adjunctive activities that may be offered by a provider entity but are not otherwise
151.28 covered by medical assistance, including:

151.29 (i) a service that is primarily recreation oriented or that is provided in a setting that is
151.30 not medically supervised. This includes sports activities, exercise groups, activities such as
151.31 craft hours, leisure time, social hours, meal or snack time, trips to community activities,
151.32 and tours;

152.1 (ii) a social or educational service that does not have or cannot reasonably be expected
152.2 to have a therapeutic outcome related to the client's mental illness;

152.3 (iii) prevention or education programs provided to the community; and

152.4 (iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

152.5 (b) Time spent doing work before and after providing direct services, including scheduling
152.6 or maintaining clinical records, is included in CTSS payments and may not be separately
152.7 billed as additional clock hours of service.

152.8 Sec. 46. Minnesota Statutes 2025 Supplement, section 260E.14, subdivision 1, is amended
152.9 to read:

152.10 Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency
152.11 responsible for investigating allegations of maltreatment in child foster care, family child
152.12 care, legally nonlicensed child care, and reports involving children served by an unlicensed
152.13 personal care provider organization under section 256B.0659. Copies of findings related to
152.14 personal care provider organizations under section 256B.0659 must be forwarded to the
152.15 Department of Human Services provider enrollment.

152.16 (b) The Department of Human Services is the agency responsible for screening and
152.17 investigating allegations of maltreatment in juvenile correctional facilities listed under
152.18 section 241.021 located in the local welfare agency's county and in facilities licensed or
152.19 certified under chapters 245A and 245D.

152.20 (c) The Department of Health is the agency responsible for screening and investigating
152.21 allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43
152.22 to 144A.482 or chapter 144H.

152.23 (d) The Department of Education is the agency responsible for screening and investigating
152.24 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,
152.25 and 13, and chapter 124E. The Department of Education's responsibility to screen and
152.26 investigate includes allegations of maltreatment involving students 18 through 21 years of
152.27 age, including students receiving special education services, up to and including graduation
152.28 and the issuance of a secondary or high school diploma.

152.29 (e) The Department of Human Services is the agency responsible for screening and
152.30 investigating allegations of maltreatment of minors in an EIDBI agency operating under
152.31 sections 245A.142 and 256B.0949.

153.1 (f) A health or corrections agency receiving a report may request the local welfare agency
153.2 to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

153.3 (g) The Department of Children, Youth, and Families is the agency responsible for
153.4 screening and investigating allegations of maltreatment in facilities or programs not listed
153.5 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

153.6 (h) The Department of Human Services is the agency responsible for screening and
153.7 investigating allegations of maltreatment of minors for mobile crisis response services and
153.8 children's therapeutic services and supports programs licensed under chapter 245I.

153.9 Sec. 47. Minnesota Statutes 2025 Supplement, section 626.5572, subdivision 13, is amended
153.10 to read:

153.11 Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary
153.12 administrative agency responsible for investigating reports made under section 626.557.

153.13 (a) The Department of Health is the lead investigative agency for facilities or services
153.14 licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding
153.15 care homes, hospice providers, residential facilities that are also federally certified as
153.16 intermediate care facilities that serve people with developmental disabilities, or any other
153.17 facility or service not listed in this subdivision that is licensed or required to be licensed by
153.18 the Department of Health for the care of vulnerable adults. "Home care provider" has the
153.19 meaning provided in section 144A.43, subdivision 4, and applies when care or services are
153.20 delivered in the vulnerable adult's home.

153.21 (b) The Department of Human Services is the lead investigative agency for facilities or
153.22 services licensed or required to be licensed as adult day care, adult foster care, community
153.23 residential settings, programs for people with disabilities, EIDBI agencies, family adult day
153.24 services, mental health programs licensed under chapter 245I, mental health clinics, substance
153.25 use disorder programs, the Minnesota Sex Offender Program, or any other facility or service
153.26 not listed in this subdivision that is licensed or required to be licensed by the Department
153.27 of Human Services. The Department of Human Services is also the lead investigative agency
153.28 for unlicensed EIDBI agencies under section 256B.0949. The Department of Human Services
153.29 is the lead investigative agency for adult rehabilitative mental health services under section
153.30 245I.22, mobile crisis response services under section 245I.24, and certified community
153.31 behavioral health clinics under section 245I.17.

154.1 (c) The county social service agency or its designee is the lead investigative agency for
 154.2 all other reports, including but not limited to reports involving vulnerable adults receiving
 154.3 services from a personal care provider organization under section 256B.0659.

154.4 **EFFECTIVE DATE.** This section is effective January 1, 2028.

154.5 Sec. 48. **REVISOR INSTRUCTION.**

154.6 The revisor of statutes shall renumber Minnesota Statutes, section 245.735, subdivisions
 154.7 5 and 6, as Minnesota Statutes, section 245I.17, subdivisions 23 and 24.

154.8 Sec. 49. **REPEALER.**

154.9 (a) Minnesota Statutes 2024, sections 245.735, subdivisions 1a, 2a, 3a, 3b, 3c, 3d, 3e,
 154.10 3f, 3g, 3h, 4a, 4b, 4c, 4e, 7, and 8; 245C.03, subdivision 7; 245I.20, subdivision 9; 245I.23,
 154.11 subdivision 23; 256B.0623, subdivisions 2, 4, 5, 6, and 9; 256B.0624, subdivisions 2, 3,
 154.12 4a, 5, 6, 6a, 6b, 7, 8, 9, and 11; and 256B.0943, subdivisions 4, 5, 5a, 6, 7, and 11, are
 154.13 repealed.

154.14 (b) Minnesota Statutes 2025 Supplement, sections 245.735, subdivisions 3 and 4d; and
 154.15 256B.0943, subdivisions 1 and 9, are repealed.

154.16 **EFFECTIVE DATE.** This section is effective January 1, 2028.

154.17

ARTICLE 6

154.18

BACKGROUND STUDIES

154.19 Section 1. Minnesota Statutes 2025 Supplement, section 142A.09, subdivision 1, is
 154.20 amended to read:

154.21 Subdivision 1. **Background studies required.** The commissioner of human services
 154.22 shall conduct background studies of individuals specified in section 245C.03, ~~subdivision~~
 154.23 ~~5e~~, affiliated with:

154.24 (1) a facility or program licensed or seeking a license under chapter 142B;

154.25 (2) a license-exempt child care center certified under chapter 142C; or

154.26 (3) a legal nonlicensed child care provider authorized under chapter 142E.

155.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 142B.05, subdivision 3, is amended
155.2 to read:

155.3 Subd. 3. **Foster care by an individual who is related to a child; license required.** (a)
155.4 Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for
155.5 a child, an individual who is related to the child, other than a parent, or legal guardian, must
155.6 be licensed by the commissioner except as provided by section 142B.06.

155.7 (b) If an individual who is related to a child is seeking licensure to provide foster care
155.8 for the child and the individual has a domestic partner but is not married to the domestic
155.9 partner, only the individual related to the child must be licensed to provide foster care. The
155.10 commissioner must conduct background studies on household members according to section
155.11 245C.03, ~~subdivision 1.~~

155.12 Sec. 3. Minnesota Statutes 2025 Supplement, section 142B.10, subdivision 14, is amended
155.13 to read:

155.14 Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that
155.15 the program complies with all applicable rules and laws, the commissioner shall issue a
155.16 license consistent with this section or, if applicable, a temporary change of ownership license
155.17 under section 142B.11. At minimum, the license shall state:

155.18 (1) the name of the license holder;

155.19 (2) the address of the program;

155.20 (3) the effective date and expiration date of the license;

155.21 (4) the type of license;

155.22 (5) the maximum number and ages of persons that may receive services from the program;
155.23 and

155.24 (6) any special conditions of licensure.

155.25 (b) The commissioner may issue a license for a period not to exceed two years if:

155.26 (1) the commissioner is unable to conduct the observation required by subdivision 11,
155.27 paragraph (a), clause (3), because the program is not yet operational;

155.28 (2) certain records and documents are not available because persons are not yet receiving
155.29 services from the program; and

155.30 (3) the applicant complies with applicable laws and rules in all other respects.

156.1 (c) A decision by the commissioner to issue a license does not guarantee that any person
156.2 or persons will be placed or cared for in the licensed program.

156.3 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
156.4 license if the applicant, license holder, or an affiliated controlling individual has:

156.5 (1) been disqualified and the disqualification was not set aside and no variance has been
156.6 granted;

156.7 (2) been denied a license under this chapter or chapter 245A within the past two years;

156.8 (3) had a license issued under this chapter or chapter 245A revoked within the past five
156.9 years; or

156.10 (4) failed to submit the information required of an applicant under subdivision 1,
156.11 paragraph (f), (g), or (h), after being requested by the commissioner.

156.12 When a license issued under this chapter or chapter 245A is revoked, the license holder
156.13 and each affiliated controlling individual with a revoked license may not hold any license
156.14 under chapter 142B for five years following the revocation, and other licenses held by the
156.15 applicant or license holder or licenses affiliated with each controlling individual shall also
156.16 be revoked.

156.17 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
156.18 affiliated with a license holder or controlling individual that had a license revoked within
156.19 the past five years if the commissioner determines that (1) the license holder or controlling
156.20 individual is operating the program in substantial compliance with applicable laws and rules
156.21 and (2) the program's continued operation is in the best interests of the community being
156.22 served.

156.23 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
156.24 to an application that is affiliated with an applicant, license holder, or controlling individual
156.25 that had an application denied within the past two years or a license revoked within the past
156.26 five years if the commissioner determines that (1) the applicant or controlling individual
156.27 has operated one or more programs in substantial compliance with applicable laws and rules
156.28 and (2) the program's operation would be in the best interests of the community to be served.

156.29 (g) In determining whether a program's operation would be in the best interests of the
156.30 community to be served, the commissioner shall consider factors such as the number of
156.31 persons served, the availability of alternative services available in the surrounding
156.32 community, the management structure of the program, whether the program provides
156.33 culturally specific services, and other relevant factors.

157.1 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
157.2 living in the household where the services will be provided as specified under section
157.3 245C.03, ~~subdivision 1~~, has been disqualified and the disqualification has not been set aside
157.4 and no variance has been granted.

157.5 (i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued
157.6 under this chapter has been suspended or revoked and the suspension or revocation is under
157.7 appeal, the program may continue to operate pending a final order from the commissioner.
157.8 If the license under suspension or revocation will expire before a final order is issued, a
157.9 temporary provisional license may be issued provided any applicable license fee is paid
157.10 before the temporary provisional license is issued.

157.11 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
157.12 a controlling individual or license holder, and the controlling individual or license holder
157.13 is ordered under section 245C.17 to be immediately removed from direct contact with
157.14 persons receiving services or is ordered to be under continuous, direct supervision when
157.15 providing direct contact services, the program may continue to operate only if the program
157.16 complies with the order and submits documentation demonstrating compliance with the
157.17 order. If the disqualified individual fails to submit a timely request for reconsideration, or
157.18 if the disqualification is not set aside and no variance is granted, the order to immediately
157.19 remove the individual from direct contact or to be under continuous, direct supervision
157.20 remains in effect pending the outcome of a hearing and final order from the commissioner.

157.21 (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food
157.22 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
157.23 relocation within the same county by a licensed family day care provider, shall be considered
157.24 an extension of the license for a period of no more than 30 calendar days or until the new
157.25 license is issued, whichever occurs first, provided the county agency has determined the
157.26 family day care provider meets licensure requirements at the new location.

157.27 (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at
157.28 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
157.29 comply with the requirements in section 142B.12 and be reissued a new license to operate
157.30 the program or the program must not be operated after the expiration date. Child foster care
157.31 license holders must apply for and be granted a new license to operate the program or the
157.32 program must not be operated after the expiration date. Upon implementation of the provider
157.33 licensing and reporting hub, licenses may be issued each calendar year.

158.1 (m) The commissioner shall not issue or reissue a license under this chapter if it has
158.2 been determined that a tribal licensing authority has established jurisdiction to license the
158.3 program or service.

158.4 (n) The commissioner of children, youth, and families shall coordinate and share data
158.5 with the commissioner of human services to enforce this section.

158.6 Sec. 4. Minnesota Statutes 2024, section 142B.15, is amended to read:

158.7 **142B.15 DENIAL OF APPLICATION.**

158.8 (a) The commissioner may deny a license if an applicant or controlling individual:

158.9 (1) fails to submit a substantially complete application after receiving notice from the
158.10 commissioner under section 142B.10, subdivision 1;

158.11 (2) fails to comply with applicable laws or rules;

158.12 (3) knowingly withholds relevant information from or gives false or misleading
158.13 information to the commissioner in connection with an application for a license or during
158.14 an investigation;

158.15 (4) has a disqualification that has not been set aside under section 245C.22 and no
158.16 variance has been granted;

158.17 (5) has an individual living in the household who received a background study under
158.18 section 245C.03, ~~subdivision 1, paragraph (a), clause (2), and~~ and who has a disqualification
158.19 that has not been set aside under section 245C.22, and no variance has been granted;

158.20 (6) is associated with an individual who received a background study under section
158.21 245C.03, ~~subdivision 1, paragraph (a), clause (6),~~ who may have unsupervised access to
158.22 children or vulnerable adults, and who has a disqualification that has not been set aside
158.23 under section 245C.22, and no variance has been granted;

158.24 (7) fails to comply with section 142B.10, subdivision 1, paragraph (f) or (g);

158.25 (8) fails to demonstrate competent knowledge as required by section 142B.10, subdivision
158.26 13;

158.27 (9) has a history of noncompliance as a license holder or controlling individual with
158.28 applicable laws or rules, including but not limited to this chapter and chapters 142E, 245A,
158.29 and 245C;

158.30 (10) is prohibited from holding a license according to section 142A.12 or 245.095; or

159.1 (11) for a family foster setting, has or has an individual who is living in the household
 159.2 where the licensed services are provided or is otherwise subject to a background study who
 159.3 has nondisqualifying background study information, as described in section 245C.05,
 159.4 subdivision 4, that reflects on the applicant's ability to safely provide care to foster children.

159.5 (b) An applicant whose application has been denied by the commissioner must be given
 159.6 notice of the denial, which must state the reasons for the denial in plain language. Notice
 159.7 must be given by certified mail, by personal service, or through the provider licensing and
 159.8 reporting hub. The notice must state the reasons the application was denied and must inform
 159.9 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,
 159.10 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
 159.11 commissioner in writing by certified mail, by personal service, or through the provider
 159.12 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
 159.13 commissioner within 20 calendar days after the applicant received the notice of denial. If
 159.14 an appeal request is made by personal service, it must be received by the commissioner
 159.15 within 20 calendar days after the applicant received the notice of denial. If the order is issued
 159.16 through the provider hub, the appeal must be received by the commissioner within 20
 159.17 calendar days from the date the commissioner issued the order through the hub. Section
 159.18 142B.20 applies to hearings held to appeal the commissioner's denial of an application.

159.19 Sec. 5. Minnesota Statutes 2024, section 142B.79, is amended to read:

159.20 **142B.79 CONTRACTORS SERVING MULTIPLE FAMILY CHILD CARE**
 159.21 **LICENSE HOLDERS.**

159.22 Contractors who serve multiple family child care license holders may request that the
 159.23 county agency maintain a record of:

159.24 (1) the contractor's background study results as required in section 245C.04, ~~subdivision~~
 159.25 ~~8~~, to verify that the contractor does not have a disqualification or a disqualification that has
 159.26 not been set aside, and is eligible to provide direct contact services in a licensed program;
 159.27 and

159.28 (2) the contractor's compliance with training requirements.

159.29 Sec. 6. Minnesota Statutes 2024, section 144.057, subdivision 1, is amended to read:

159.30 Subdivision 1. **Background studies required.** (a) Except as specified in paragraph (b),
 159.31 the commissioner of health shall contract with the commissioner of human services to
 159.32 conduct background studies of:

160.1 (1) individuals providing services that have direct contact, as defined under section
160.2 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes,
160.3 outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and
160.4 home care agencies licensed under chapter 144A; assisted living facilities and assisted living
160.5 facilities with dementia care licensed under chapter 144G; and board and lodging
160.6 establishments that are registered to provide supportive or health supervision services under
160.7 section 157.17;

160.8 (2) individuals specified in section 245C.03, ~~subdivision 1~~, who perform direct contact
160.9 services in a nursing home or a home care agency licensed under chapter 144A; an assisted
160.10 living facility or assisted living facility with dementia care licensed under chapter 144G;
160.11 or a boarding care home licensed under sections 144.50 to 144.58. If the individual under
160.12 study resides outside Minnesota, the study must include a check for substantiated findings
160.13 of maltreatment of adults and children in the individual's state of residence when the
160.14 information is made available by that state, and must include a check of the National Crime
160.15 Information Center database;

160.16 (3) all other employees in assisted living facilities or assisted living facilities with
160.17 dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A,
160.18 and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of
160.19 an individual in this section shall disqualify the individual from positions allowing direct
160.20 contact or access to patients or residents receiving services. "Access" means physical access
160.21 to a client or the client's personal property without continuous, direct supervision as defined
160.22 in section 245C.02, subdivision 8, when the employee's employment responsibilities do not
160.23 include providing direct contact services;

160.24 (4) individuals employed by a supplemental nursing services agency, as defined under
160.25 section 144A.70, who are providing services in health care facilities;

160.26 (5) controlling persons of a supplemental nursing services agency, as defined under
160.27 section 144A.70; and

160.28 (6) license applicants, owners, managerial officials, and controlling individuals who are
160.29 required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a
160.30 background study under chapter 245C, regardless of the licensure status of the license
160.31 applicant, owner, managerial official, or controlling individual.

160.32 (b) The commissioner of human services shall not conduct a background study on any
160.33 individual identified in paragraph (a), clauses (1) to (5), if the individual has a valid license
160.34 issued by a health-related licensing board as defined in section 214.01, subdivision 2, and

161.1 has completed the criminal background check as required in section 214.075. An entity that
161.2 is affiliated with individuals who meet the requirements of this paragraph must separate
161.3 those individuals from the entity's roster for NETStudy 2.0.

161.4 (c) If a facility or program is licensed by the Department of Human Services and subject
161.5 to the background study provisions of chapter 245C and is also licensed by the Department
161.6 of Health, the Department of Human Services is solely responsible for the background
161.7 studies of individuals in the jointly licensed programs.

161.8 Sec. 7. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 7, is amended
161.9 to read:

161.10 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
161.11 the program complies with all applicable rules and laws, the commissioner shall issue a
161.12 license consistent with this section or, if applicable, a temporary change of ownership license
161.13 under section 245A.043. At minimum, the license shall state:

161.14 (1) the name of the license holder;

161.15 (2) the address of the program;

161.16 (3) the effective date and expiration date of the license;

161.17 (4) the type of license and the specific service the license holder is licensed to provide;

161.18 (5) the maximum number and ages of persons that may receive services from the program;

161.19 and

161.20 (6) any special conditions of licensure.

161.21 (b) The commissioner may issue a license for a period not to exceed two years if:

161.22 (1) the commissioner is unable to conduct the observation required by subdivision 4,
161.23 paragraph (a), clause (3), because the program is not yet operational;

161.24 (2) certain records and documents are not available because persons are not yet receiving
161.25 services from the program; and

161.26 (3) the applicant complies with applicable laws and rules in all other respects.

161.27 (c) A decision by the commissioner to issue a license does not guarantee that any person
161.28 or persons will be placed or cared for in the licensed program.

161.29 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
161.30 license if the applicant, license holder, or an affiliated controlling individual has:

162.1 (1) been disqualified and the disqualification was not set aside and no variance has been
162.2 granted;

162.3 (2) been denied a license under this chapter or chapter 142B within the past two years;

162.4 (3) had a license issued under this chapter or chapter 142B revoked within the past five
162.5 years; or

162.6 (4) failed to submit the information required of an applicant under subdivision 1,
162.7 paragraph (f), (g), or (h), after being requested by the commissioner.

162.8 When a license issued under this chapter or chapter 142B is revoked, the license holder
162.9 and each affiliated controlling individual with a revoked license may not hold any license
162.10 under chapter 245A for five years following the revocation, and other licenses held by the
162.11 applicant or license holder or licenses affiliated with each controlling individual shall also
162.12 be revoked.

162.13 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
162.14 affiliated with a license holder or controlling individual that had a license revoked within
162.15 the past five years if the commissioner determines that (1) the license holder or controlling
162.16 individual is operating the program in substantial compliance with applicable laws and rules
162.17 and (2) the program's continued operation is in the best interests of the community being
162.18 served.

162.19 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
162.20 to an application that is affiliated with an applicant, license holder, or controlling individual
162.21 that had an application denied within the past two years or a license revoked within the past
162.22 five years if the commissioner determines that (1) the applicant or controlling individual
162.23 has operated one or more programs in substantial compliance with applicable laws and rules
162.24 and (2) the program's operation would be in the best interests of the community to be served.

162.25 (g) In determining whether a program's operation would be in the best interests of the
162.26 community to be served, the commissioner shall consider factors such as the number of
162.27 persons served, the availability of alternative services available in the surrounding
162.28 community, the management structure of the program, whether the program provides
162.29 culturally specific services, and other relevant factors.

162.30 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
162.31 living in the household where the services will be provided as specified under section
162.32 245C.03, ~~subdivision 1~~, has been disqualified and the disqualification has not been set aside
162.33 and no variance has been granted.

163.1 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
163.2 under this chapter has been suspended or revoked and the suspension or revocation is under
163.3 appeal, the program may continue to operate pending a final order from the commissioner.
163.4 If the license under suspension or revocation will expire before a final order is issued, a
163.5 temporary provisional license may be issued provided any applicable license fee is paid
163.6 before the temporary provisional license is issued.

163.7 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
163.8 a controlling individual or license holder, and the controlling individual or license holder
163.9 is ordered under section 245C.17 to be immediately removed from direct contact with
163.10 persons receiving services or is ordered to be under continuous, direct supervision when
163.11 providing direct contact services, the program may continue to operate only if the program
163.12 complies with the order and submits documentation demonstrating compliance with the
163.13 order. If the disqualified individual fails to submit a timely request for reconsideration, or
163.14 if the disqualification is not set aside and no variance is granted, the order to immediately
163.15 remove the individual from direct contact or to be under continuous, direct supervision
163.16 remains in effect pending the outcome of a hearing and final order from the commissioner.

163.17 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire
163.18 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
163.19 comply with the requirements in section 245A.10 and be reissued a new license to operate
163.20 the program or the program must not be operated after the expiration date. Adult foster care,
163.21 family adult day services, child foster residence setting, and community residential services
163.22 license holders must apply for and be granted a new license to operate the program or the
163.23 program must not be operated after the expiration date. Upon implementation of the provider
163.24 licensing and reporting hub, licenses may be issued each calendar year.

163.25 (l) The commissioner shall not issue or reissue a license under this chapter if it has been
163.26 determined that a Tribal licensing authority has established jurisdiction to license the program
163.27 or service.

163.28 (m) The commissioner of human services may coordinate and share data with the
163.29 commissioner of children, youth, and families to enforce this section.

163.30 (n) For substance use disorder treatment programs, for the purposes of paragraph (a),
163.31 clause (5), the maximum number of persons who may receive services from the program
163.32 includes persons served at satellite locations.

164.1 Sec. 8. Minnesota Statutes 2025 Supplement, section 245A.05, is amended to read:

164.2 **245A.05 DENIAL OF APPLICATION.**

164.3 (a) The commissioner may deny a license if an applicant or controlling individual:

164.4 (1) fails to submit a substantially complete application after receiving notice from the
164.5 commissioner under section 245A.04, subdivision 1;

164.6 (2) fails to comply with applicable laws or rules;

164.7 (3) knowingly withholds relevant information from or gives false or misleading
164.8 information to the commissioner in connection with an application for a license or during
164.9 an investigation;

164.10 (4) has a disqualification that has not been set aside under section 245C.22 and no
164.11 variance has been granted;

164.12 (5) has an individual living in the household who received a background study under
164.13 section 245C.03, ~~subdivision 1, paragraph (a), clause (2), and~~ and who has a disqualification
164.14 that has not been set aside under section 245C.22, and no variance has been granted;

164.15 (6) is associated with an individual who received a background study under section
164.16 245C.03, ~~subdivision 1, paragraph (a), clause (6),~~ who may have unsupervised access to
164.17 children or vulnerable adults, and who has a disqualification that has not been set aside
164.18 under section 245C.22, and no variance has been granted;

164.19 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

164.20 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
164.21 6;

164.22 (9) has a history of noncompliance as a license holder or controlling individual with
164.23 applicable laws or rules, including but not limited to this chapter and chapters 142E and
164.24 245C;

164.25 (10) is prohibited from holding a license according to section 245.095; or

164.26 (11) is the subject of a pending administrative, civil, or criminal investigation.

164.27 (b) An applicant whose application has been denied by the commissioner must be given
164.28 notice of the denial, which must state the reasons for the denial in plain language. Notice
164.29 must be given by certified mail, by personal service, or through the provider licensing and
164.30 reporting hub. The notice must state the reasons the application was denied and must inform
164.31 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,

165.1 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
165.2 commissioner in writing by certified mail, by personal service, or through the provider
165.3 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
165.4 commissioner within 20 calendar days after the applicant received the notice of denial. If
165.5 an appeal request is made by personal service, it must be received by the commissioner
165.6 within 20 calendar days after the applicant received the notice of denial. If the order is issued
165.7 through the provider hub, the appeal must be received by the commissioner within 20
165.8 calendar days from the date the commissioner issued the order through the hub. Section
165.9 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

165.10 Sec. 9. Minnesota Statutes 2025 Supplement, section 245C.02, subdivision 15a, is amended
165.11 to read:

165.12 Subd. 15a. **Reasonable cause to require a national criminal history record check.** (a)
165.13 "Reasonable cause to require a national criminal history record check" means information
165.14 or circumstances exist that provide the commissioner with articulable suspicion that further
165.15 pertinent information may exist concerning a background study subject that merits conducting
165.16 a national criminal history record check on that subject. The commissioner has reasonable
165.17 cause to require a national criminal history record check when:

165.18 (1) information from the Bureau of Criminal Apprehension indicates that the subject is
165.19 a multistate offender;

165.20 (2) information from the Bureau of Criminal Apprehension indicates that multistate
165.21 offender status is undetermined;

165.22 (3) the commissioner has received a report from the subject or a third party indicating
165.23 that the subject has a criminal history in a jurisdiction other than Minnesota; or

165.24 (4) information from the Bureau of Criminal Apprehension for a state-based name and
165.25 date of birth background study in which the subject is a minor that indicates that the subject
165.26 has a criminal history.

165.27 (b) In addition to the circumstances described in paragraph (a), the commissioner has
165.28 reasonable cause to require a national criminal history record check if the subject is not
165.29 currently residing in Minnesota or resided in a jurisdiction other than Minnesota during the
165.30 previous five years.

165.31 (c) Reasonable cause to require a national criminal history check does not apply to family
165.32 child foster care ~~or~~, adoption, adult day services, or adult foster care studies.

165.33 **EFFECTIVE DATE.** This section is effective January 25, 2028.

166.1 Sec. 10. Minnesota Statutes 2024, section 245C.03, subdivision 1, is amended to read:

166.2 Subdivision 1. **Programs licensed by the commissioner.** (a) The commissioner shall
166.3 conduct a background study when initiated on the following individuals affiliated with
166.4 programs licensed by the commissioner:

166.5 (1) the person or persons applying for a license;

166.6 (2) an individual age 13 and over living in the household where the licensed program
166.7 will be provided who is not receiving licensed services from the program;

166.8 (3) current or prospective employees of the applicant or license holder who will have
166.9 direct contact with persons served by the facility, agency, or program;

166.10 (4) volunteers or student volunteers who will have direct contact with persons served
166.11 by the program to provide program services if the contact is not under the continuous, direct
166.12 supervision by an individual listed in clause (1) or (3);

166.13 (5) an individual age ten to 12 living in the household where the licensed services will
166.14 be provided when the commissioner has reasonable cause as defined in section 245C.02,
166.15 subdivision 15;

166.16 (6) an individual who, without providing direct contact services at a licensed program,
166.17 may have unsupervised access to children or vulnerable adults receiving services from a
166.18 program, when the commissioner has reasonable cause as defined in section 245C.02,
166.19 subdivision 15; and

166.20 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

166.21 (8) notwithstanding clause (3), for children's residential facilities and foster residence
166.22 settings, any adult working in the facility, whether or not the individual will have direct
166.23 contact with persons served by the facility.

166.24 (b) For child foster care when the license holder resides in the home where foster care
166.25 services are provided, a short-term substitute caregiver providing direct contact services for
166.26 a child for less than 72 hours of continuous care is not required to receive a background
166.27 study under this chapter.

166.28 (c) This subdivision applies to the following programs that must be licensed under
166.29 chapter 245A:

166.30 (1) adult foster care;

166.31 (2) children's residential facilities;

- 167.1 (3) licensed home and community-based services under chapter 245D;
- 167.2 (4) residential mental health programs for adults;
- 167.3 (5) substance use disorder treatment programs under chapter 245G;
- 167.4 (6) withdrawal management programs under chapter 245F;
- 167.5 (7) adult day care centers;
- 167.6 (8) family adult day services;
- 167.7 (9) detoxification programs;
- 167.8 (10) community residential settings;
- 167.9 (11) intensive residential treatment services and residential crisis stabilization under
- 167.10 chapter 245I; and
- 167.11 (12) treatment programs for persons with sexual psychopathic personality or sexually
- 167.12 dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts
- 167.13 9515.3000 to 9515.3110.

167.14 Sec. 11. Minnesota Statutes 2024, section 245C.03, subdivision 2, is amended to read:

167.15 Subd. 2. **Personal care provider organizations.** The commissioner shall conduct

167.16 background studies on any individual ~~required under sections 256B.0651 to 256B.0654 and~~

167.17 ~~256B.0659 to have a background study completed under this chapter~~ with at least a five

167.18 percent ownership stake in, an operator of, or an employee or volunteer who provides direct

167.19 contact services for a personal care provider organization under section 256B.0659. For the

167.20 purposes of this subdivision, operator includes board members or other individuals who

167.21 oversee the billing, management, or policies of the services provided.

167.22 Sec. 12. Minnesota Statutes 2024, section 245C.03, subdivision 3, is amended to read:

167.23 Subd. 3. **Supplemental nursing services agencies.** The commissioner shall conduct ~~all~~

167.24 background studies ~~required under this chapter and initiated by~~ on any individual who is

167.25 an owner with at least a five percent ownership stake in, an operator of, or an employee or

167.26 volunteer who provides direct contact services for a supplemental nursing services agencies

167.27 ~~registered~~ agency under section 144A.71, subdivision 1. For the purposes of this subdivision,

167.28 operator includes board members or other individuals who oversee the billing, management,

167.29 or policies of the services provided.

168.1 Sec. 13. Minnesota Statutes 2024, section 245C.03, subdivision 4, is amended to read:

168.2 Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational**
 168.3 **programs; professional services agencies.** (a) The commissioner ~~also may~~ shall conduct
 168.4 studies on ~~individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), employees~~
 168.5 or volunteers seeking to provide direct contact services for programs licensed by the
 168.6 commissioner of human services or health when the studies are initiated by:

168.7 (1) personnel pool agencies;

168.8 (2) temporary personnel agencies;

168.9 (3) educational programs that train individuals by providing direct contact services in
 168.10 licensed programs; and

168.11 (4) professional services agencies that are not licensed and that work with licensed
 168.12 programs to provide direct contact services or individuals who provide direct contact services.

168.13 (b) Personnel pool agencies, temporary personnel agencies, and professional services
 168.14 agencies must employ the individuals providing direct care services for children, people
 168.15 with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject
 168.16 to oversight by the entity, which includes but is not limited to continuous, direct supervision
 168.17 by the entity and being subject to immediate removal from providing direct care services
 168.18 when required.

168.19 Sec. 14. Minnesota Statutes 2024, section 245C.03, subdivision 5a, is amended to read:

168.20 Subd. 5a. **Facilities Programs serving children or adults licensed or regulated by**
 168.21 **the Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall
 168.22 conduct background studies under this chapter of:

168.23 (1) ~~individuals providing services who have direct contact, as defined under section~~
 168.24 ~~245C.02, subdivision 11, with patients and residents in~~ any individual with at least a five
 168.25 percent ownership stake in, an operator of, or an employee or volunteer who provides direct
 168.26 contact services for hospitals, boarding care homes, outpatient surgical centers licensed
 168.27 under sections 144.50 to 144.58; nursing homes and home care agencies licensed under
 168.28 chapter 144A; assisted living facilities and assisted living facilities with dementia care
 168.29 licensed under chapter 144G; and board and lodging establishments that are registered to
 168.30 provide supportive or health supervision services under section 157.17;

168.31 (2) ~~individuals specified in subdivision 2 who provide direct contact services in a~~ any
 168.32 individual with at least a five percent ownership stake in, an operator of, or an employee or

169.1 volunteer who provides direct contact services for nursing home or a home care agency
 169.2 licensed under chapter 144A; an assisted living facility or assisted living facility with
 169.3 dementia care licensed under chapter 144G; or a boarding care home licensed under sections
 169.4 144.50 to 144.58. If the individual undergoing a study resides outside of Minnesota, the
 169.5 study must include a check for substantiated findings of maltreatment of adults and children
 169.6 in the individual's state of residence when the state makes the information available; and

169.7 (3) all other employees in any individual with at least a five percent ownership stake in,
 169.8 an operator of, or an employee or volunteer who provides direct contact services for assisted
 169.9 living facilities or assisted living facilities with dementia care licensed under chapter 144G,
 169.10 nursing homes licensed under chapter 144A, and boarding care homes licensed under sections
 169.11 144.50 to 144.58. ~~A disqualification of an individual in this section shall disqualify the~~
 169.12 ~~individual from positions allowing direct contact with or access to patients or residents~~
 169.13 ~~receiving services. "Access" means physical access to a client or the client's personal property~~
 169.14 ~~without continuous, direct supervision as defined in section 245C.02, subdivision 8, when~~
 169.15 ~~the employee's employment responsibilities do not include providing direct contact services;~~

169.16 ~~(4) individuals employed by a supplemental nursing services agency, as defined under~~
 169.17 ~~section 144A.70, who are providing services in health care facilities;~~

169.18 ~~(5) controlling persons of a supplemental nursing services agency, as defined by section~~
 169.19 ~~144A.70; and~~

169.20 ~~(6) license applicants, owners, managerial officials, and controlling individuals who are~~
 169.21 ~~required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a~~
 169.22 ~~background study under this chapter, regardless of the licensure status of the license applicant,~~
 169.23 ~~owner, managerial official, or controlling individual.~~

169.24 (b) An entity shall not initiate a background study on any individual identified in
 169.25 paragraph (a), clauses (1) to ~~(5)~~ (3), if the individual has a valid license issued by a
 169.26 health-related licensing board as defined in section 214.01, subdivision 2, and has completed
 169.27 the criminal background check as required in section 214.075. An entity that is affiliated
 169.28 with individuals who meet the requirements of this paragraph must separate those individuals
 169.29 from the entity's roster for NETStudy 2.0. The Department of Human Services is not liable
 169.30 for conducting background studies that have been submitted or not removed from the roster
 169.31 in violation of this provision.

169.32 ~~(c) If a facility or program is licensed by the Department of Human Services and the~~
 169.33 ~~Department of Health and is subject to the background study provisions of this chapter, the~~

170.1 ~~Department of Human Services is solely responsible for the background studies of individuals~~
 170.2 ~~in the jointly licensed program.~~

170.3 ~~(d) The commissioner of health shall review and make decisions regarding reconsideration~~
 170.4 ~~requests, including whether to grant variances, according to the procedures and criteria in~~
 170.5 ~~this chapter. The commissioner of health shall inform the requesting individual and the~~
 170.6 ~~Department of Human Services of the commissioner of health's decision regarding the~~
 170.7 ~~reconsideration. The commissioner of health's decision to grant or deny a reconsideration~~
 170.8 ~~of a disqualification is a final administrative agency action.~~

170.9 Sec. 15. Minnesota Statutes 2024, section 245C.03, subdivision 5b, is amended to read:

170.10 Subd. 5b. **Facilities serving children or youth licensed by the Department of**
 170.11 **Corrections.** (a) The commissioner shall conduct background studies of individuals any
 170.12 individual with at least a five percent ownership stake in, an operator of, or an employee
 170.13 working in secure and nonsecure children's residential facilities, juvenile detention facilities,
 170.14 and foster residence settings, whether or not the individual will have direct contact, as
 170.15 defined under section 245C.02, subdivision 11, with persons served in the facilities or
 170.16 settings.

170.17 ~~(b) A clerk or administrator of any court, the Bureau of Criminal Apprehension, a~~
 170.18 ~~prosecuting attorney, a county sheriff, or a chief of a local police department shall assist in~~
 170.19 ~~conducting background studies by providing the commissioner of human services or the~~
 170.20 ~~commissioner's representative all criminal conviction data available from local and state~~
 170.21 ~~criminal history record repositories related to applicants, operators, all persons living in a~~
 170.22 ~~household, and all staff of any facility subject to background studies under this subdivision.~~

170.23 ~~(e)~~ (b) For the purpose of this subdivision, the term "secure and nonsecure residential
 170.24 facility and detention facility" includes programs licensed or certified under section 241.021,
 170.25 subdivision 2.

170.26 ~~(d) If an individual is disqualified, the Department of Human Services shall notify the~~
 170.27 ~~disqualified individual and the facility in which the disqualified individual provides services~~
 170.28 ~~of the disqualification and shall inform the disqualified individual of the right to request a~~
 170.29 ~~reconsideration of the disqualification by submitting the request to the Department of~~
 170.30 ~~Corrections.~~

170.31 ~~(e) The commissioner of corrections shall review and make decisions regarding~~
 170.32 ~~reconsideration requests, including whether to grant variances, according to the procedures~~
 170.33 ~~and criteria in this chapter. The commissioner of corrections shall inform the requesting~~

171.1 ~~individual and the Department of Human Services of the commissioner of corrections'~~
 171.2 ~~decision regarding the reconsideration. The commissioner of corrections' decision to grant~~
 171.3 ~~or deny a reconsideration of a disqualification is the final administrative agency action.~~

171.4 Sec. 16. Minnesota Statutes 2024, section 245C.03, subdivision 7, is amended to read:

171.5 Subd. 7. **Children's therapeutic services and supports providers.** The commissioner
 171.6 shall conduct background studies of all direct service providers and volunteers any individual
 171.7 with at least a five percent ownership stake in, an operator of, or an employee or volunteer
 171.8 for children's therapeutic services and supports providers under section 256B.0943.

171.9 Sec. 17. Minnesota Statutes 2024, section 245C.03, subdivision 9, is amended to read:

171.10 Subd. 9. **Community first services and supports and financial management services**
 171.11 **organizations.** ~~Individuals affiliated with Community First Services and Supports (CFSS)~~
 171.12 ~~agency providers and Financial Management Services (FMS) providers enrolled to provide~~
 171.13 ~~CFSS services under the medical assistance program must meet the following requirements:~~

171.14 ~~(1) owners who have a five percent interest or more and all managing employees are~~
 171.15 ~~subject to a background study under this chapter. This requirement applies to currently~~
 171.16 ~~enrolled providers and agencies seeking enrollment. "Managing employee" has the meaning~~
 171.17 ~~given in Code of Federal Regulations, title 42, section 455.101. An organization is barred~~
 171.18 ~~from enrollment if:~~

171.19 ~~(i) the organization has not initiated background studies of owners and managing~~
 171.20 ~~employees; or~~

171.21 ~~(ii) the organization has initiated background studies of owners and managing employees~~
 171.22 ~~and the commissioner has sent the organization a notice that an owner or managing employee~~
 171.23 ~~of the organization has been disqualified under section 245C.14 and the owner or managing~~
 171.24 ~~employee has not received a set aside of the disqualification under section 245C.22;~~

171.25 ~~(2) a background study must be initiated and completed for all staff who will have direct~~
 171.26 ~~contact with the participant to provide worker training and development; and~~

171.27 ~~(3) a background study must be initiated and completed for all support workers.~~

171.28 The commissioner shall conduct background studies of any individual with at least a
 171.29 five percent ownership stake in, an operator of, or an employee or volunteer for Community
 171.30 First Services and Supports (CFSS) agency providers and Financial Management Services
 171.31 providers enrolled to provide CFSS services under section 256B.85. For the purposes of

172.1 this subdivision, operator includes board members or other individuals who oversee the
 172.2 billing, management, or policies of the services provided.

172.3 Sec. 18. Minnesota Statutes 2024, section 245C.03, subdivision 10, is amended to read:

172.4 Subd. 10. **Providers of housing support or supplementary services.** (a) The
 172.5 commissioner shall conduct background studies of the following individuals who provide
 172.6 services under section 256I.04:

172.7 (1) controlling individuals as defined in section 245A.02;

172.8 (2) managerial officials as defined in section 245A.02; and

172.9 (3) all employees and volunteers of the establishment who have direct contact with
 172.10 recipients or who have unsupervised access to recipients, recipients' personal property, or
 172.11 recipients' private data.

172.12 ~~(b) The provider of housing support must comply with all requirements for entities~~
 172.13 ~~initiating background studies under this chapter.~~

172.14 ~~(c) A provider of housing support must demonstrate that all individuals who are required~~
 172.15 ~~to have a background study according to paragraph (a) have a notice stating that:~~

172.16 ~~(1) the individual is not disqualified under section 245C.14; or~~

172.17 ~~(2) the individual is disqualified and the individual has been issued a set aside of the~~
 172.18 ~~disqualification for the setting under section 245C.22.~~

172.19 Sec. 19. Minnesota Statutes 2024, section 245C.03, subdivision 12, is amended to read:

172.20 Subd. 12. **Providers of special transportation service.** (a) The commissioner shall
 172.21 conduct background studies of the following individuals who provide special transportation
 172.22 services under section 174.30:

172.23 (1) each person with a direct or indirect ownership interest of five percent or higher in
 172.24 a transportation service provider;

172.25 (2) each controlling individual as defined under section 245A.02;

172.26 (3) a managerial official as defined in section 245A.02;

172.27 (4) each driver employed by the transportation service provider;

172.28 (5) each individual employed by the transportation service provider to assist a passenger
 172.29 during transport; and

173.1 (6) each employee of the transportation service agency who provides administrative
173.2 support, including an employee who:

173.3 (i) may have face-to-face contact with or access to passengers, passengers' personal
173.4 property, or passengers' private data;

173.5 (ii) performs any scheduling or dispatching tasks; or

173.6 (iii) performs any billing activities.

173.7 ~~(b) When a local or contracted agency is authorizing a ride under section 256B.0625,~~
173.8 ~~subdivision 17, by a volunteer driver, and the agency authorizing the ride has a reason to~~
173.9 ~~believe that the volunteer driver has a history that would disqualify the volunteer driver or~~
173.10 ~~that may pose a risk to the health or safety of passengers, the agency may initiate a~~
173.11 ~~background study that shall be completed according to this chapter using the commissioner~~
173.12 ~~of human services' online NETStudy system, or by contacting the Department of Human~~
173.13 ~~Services background study division for assistance. The agency that initiates the background~~
173.14 ~~study under this paragraph shall be responsible for providing the volunteer driver with the~~
173.15 ~~privacy notice required by section 245C.05, subdivision 2c, and with the payment for the~~
173.16 ~~background study required by section 245C.10 before the background study is completed.~~

173.17 Sec. 20. Minnesota Statutes 2024, section 245C.03, is amended by adding a subdivision
173.18 to read:

173.19 Subd. 17. **Providers of adult rehabilitative mental health services.** The commissioner
173.20 shall conduct background studies on any individual with an ownership stake of at least five
173.21 percent in an adult rehabilitative mental health services provider, an operator of an adult
173.22 rehabilitative mental health services provider, or an employee or volunteer who has direct
173.23 contact with people receiving adult rehabilitative mental health services under section
173.24 256B.0623.

173.25 Sec. 21. Minnesota Statutes 2024, section 245C.03, is amended by adding a subdivision
173.26 to read:

173.27 Subd. 18. **Providers of peer recovery services.** The commissioner shall conduct
173.28 background studies on any individual with an ownership stake of at least five percent in a
173.29 peer recovery services provider, an operator of a peer recovery service provider, or an
173.30 employee or volunteer who has direct contact with people receiving peer recovery services
173.31 under section 254B.052.

174.1 Sec. 22. Minnesota Statutes 2024, section 245C.03, is amended by adding a subdivision
174.2 to read:

174.3 Subd. 19. Providers of adult assertive community treatment services. The
174.4 commissioner shall conduct background studies on any individual with an ownership stake
174.5 of at least five percent in an adult assertive community treatment services provider, an
174.6 operator of an adult assertive community treatment services provider, or an employee or
174.7 volunteer who has direct contact with people receiving adult assertive community treatment
174.8 services under section 256B.0622.

174.9 Sec. 23. Minnesota Statutes 2024, section 245C.04, subdivision 1, is amended to read:

174.10 Subdivision 1. ~~Licensed programs; other child care programs~~ When studies are
174.11 initiated. ~~(a) The commissioner shall conduct a background study of an individual required~~
174.12 ~~to be studied~~ For all studies required under section 245C.03, subdivision 1, the entity shall
174.13 initiate the study using the electronic system known as NETStudy 2.0 at least upon
174.14 application for initial license for all license types or enrollment and before owning, operating,
174.15 or providing direct contact services.

174.16 ~~(b) The commissioner shall conduct a background study of an individual required to be~~
174.17 ~~studied under section 245C.03, subdivision 1, including a child care background study~~
174.18 ~~subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed~~
174.19 ~~child care center, certified license-exempt child care center, or legal nonlicensed child care~~
174.20 ~~provider, on a schedule determined by the commissioner. Except as provided in section~~
174.21 ~~245C.05, subdivision 5a, a child care background study must include submission of~~
174.22 ~~fingerprints for a national criminal history record check and a review of the information~~
174.23 ~~under section 245C.08. A background study for a child care program must be repeated~~
174.24 ~~within five years from the most recent study conducted under this paragraph.~~

174.25 ~~(c) At reauthorization or when a new background study is needed under section 142E.16,~~
174.26 ~~subdivision 2, for a legal nonlicensed child care provider authorized under chapter 142E:~~

174.27 ~~(1) for a background study affiliated with a legal nonlicensed child care provider, the~~
174.28 ~~individual shall provide information required under section 245C.05, subdivision 1,~~
174.29 ~~paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed~~
174.30 ~~under section 245C.05, subdivision 5; and~~

174.31 ~~(2) the commissioner shall verify the information received under clause (1) and submit~~
174.32 ~~the request in NETStudy 2.0 to complete the background study.~~

174.33 ~~(d) At reapplication for a family child care license:~~

175.1 ~~(1) for a background study affiliated with a licensed family child care center, the~~
175.2 ~~individual shall provide information required under section 245C.05, subdivision 1,~~
175.3 ~~paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed~~
175.4 ~~under section 245C.05, subdivision 5;~~

175.5 ~~(2) the county agency shall verify the information received under clause (1) and forward~~
175.6 ~~the information to the commissioner and submit the request in NETStudy 2.0 to complete~~
175.7 ~~the background study; and~~

175.8 ~~(3) the background study conducted by the commissioner under this paragraph must~~
175.9 ~~include a review of the information required under section 245C.08.~~

175.10 ~~(e) The commissioner is not required to conduct a study of an individual at the time of~~
175.11 ~~reapplication for a license if the individual's background study was completed by the~~
175.12 ~~commissioner of human services and the following conditions are met:~~

175.13 ~~(1) a study of the individual was conducted either at the time of initial licensure or when~~
175.14 ~~the individual became affiliated with the license holder;~~

175.15 ~~(2) the individual has been continuously affiliated with the license holder since the last~~
175.16 ~~study was conducted; and~~

175.17 ~~(3) the last study of the individual was conducted on or after October 1, 1995.~~

175.18 ~~(f) The commissioner of human services shall conduct a background study of an~~
175.19 ~~individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),~~
175.20 ~~who is newly affiliated with a child foster family setting license holder:~~

175.21 ~~(1) the county or private agency shall collect and forward to the commissioner the~~
175.22 ~~information required under section 245C.05, subdivisions 1 and 5, when the child foster~~
175.23 ~~family setting applicant or license holder resides in the home where child foster care services~~
175.24 ~~are provided; and~~

175.25 ~~(2) the background study conducted by the commissioner of human services under this~~
175.26 ~~paragraph must include a review of the information required under section 245C.08,~~
175.27 ~~subdivisions 1, 3, and 4.~~

175.28 ~~(g) The commissioner shall conduct a background study of an individual specified under~~
175.29 ~~section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated~~
175.30 ~~with an adult foster care or family adult day services and with a family child care license~~
175.31 ~~holder or a legal nonlicensed child care provider authorized under chapter 142E and:~~

176.1 ~~(1) except as provided in section 245C.05, subdivision 5a, the county shall collect and~~
176.2 ~~forward to the commissioner the information required under section 245C.05, subdivision~~
176.3 ~~1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted~~
176.4 ~~by the commissioner for all family adult day services, for adult foster care when the adult~~
176.5 ~~foster care license holder resides in the adult foster care residence, and for family child care~~
176.6 ~~and legal nonlicensed child care authorized under chapter 142E;~~

176.7 ~~(2) the license holder shall collect and forward to the commissioner the information~~
176.8 ~~required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs~~
176.9 ~~(a) and (b), for background studies conducted by the commissioner for adult foster care~~
176.10 ~~when the license holder does not reside in the adult foster care residence; and~~

176.11 ~~(3) the background study conducted by the commissioner under this paragraph must~~
176.12 ~~include a review of the information required under section 245C.08, subdivision 1, paragraph~~
176.13 ~~(a), and subdivisions 3 and 4.~~

176.14 ~~(h) Applicants for licensure, license holders, and other entities as provided in this chapter~~
176.15 ~~must submit completed background study requests to the commissioner using the electronic~~
176.16 ~~system known as NETStudy before individuals specified in section 245C.03, subdivision~~
176.17 ~~1, begin positions allowing direct contact in any licensed program.~~

176.18 ~~(i) For an individual who is not on the entity's active roster, the entity must initiate a~~
176.19 ~~new background study through NETStudy when:~~

176.20 ~~(1) an individual returns to a position requiring a background study following an absence~~
176.21 ~~of 120 or more consecutive days; or~~

176.22 ~~(2) a program that discontinued providing licensed direct contact services for 120 or~~
176.23 ~~more consecutive days begins to provide direct contact licensed services again.~~

176.24 ~~The license holder shall maintain a copy of the notification provided to the commissioner~~
176.25 ~~under this paragraph in the program's files. If the individual's disqualification was previously~~
176.26 ~~set aside for the license holder's program and the new background study results in no new~~
176.27 ~~information that indicates the individual may pose a risk of harm to persons receiving~~
176.28 ~~services from the license holder, the previous set-aside shall remain in effect.~~

176.29 ~~(j) For purposes of this section, a physician licensed under chapter 147, advanced practice~~
176.30 ~~registered nurse licensed under chapter 148, or physician assistant licensed under chapter~~
176.31 ~~147A is considered to be continuously affiliated upon the license holder's receipt from the~~
176.32 ~~commissioner of health or human services of the physician's, advanced practice registered~~
176.33 ~~nurse's, or physician assistant's background study results.~~

177.1 ~~(k) For purposes of family child care, a substitute caregiver must receive repeat~~
 177.2 ~~background studies at the time of each license renewal.~~

177.3 ~~(l) A repeat background study at the time of license renewal is not required if the family~~
 177.4 ~~child care substitute caregiver's background study was completed by the commissioner on~~
 177.5 ~~or after October 1, 2017, and the substitute caregiver is on the license holder's active roster~~
 177.6 ~~in NETStudy 2.0.~~

177.7 ~~(m) Before and after school programs authorized under chapter 142E, are exempt from~~
 177.8 ~~the background study requirements under section 123B.03, for an employee for whom a~~
 177.9 ~~background study under this chapter has been completed.~~

177.10 Sec. 24. Minnesota Statutes 2024, section 245C.04, subdivision 4a, is amended to read:

177.11 Subd. 4a. **Agency background studies; electronic criminal case information updates;**
 177.12 **rosters; and criteria for eliminating repeat background studies.** (a) The commissioner
 177.13 shall develop and implement an electronic process as a part of NETStudy 2.0 for the regular
 177.14 transfer of new criminal case information that is added to the Minnesota court information
 177.15 system. The commissioner's system must include for review only information that relates
 177.16 to individuals who are on the master roster. Entities initiating studies under section 245C.03
 177.17 are exempt from any requirement to initiate repeat studies as long as the individual remains
 177.18 continually affiliated with the roster; the individual has a final determination of eligibility,
 177.19 a set aside, or a variance granted; and the individual's legal name does not change.

177.20 (b) ~~The commissioner shall develop and implement an online system as a part of~~
 177.21 ~~NETStudy 2.0 for agencies that initiate background studies under this chapter to access and~~
 177.22 ~~maintain records of background studies initiated by that agency. The system must show all~~
 177.23 ~~active background study subjects affiliated with that agency and the status of each individual's~~
 177.24 ~~background study. Each agency that initiates background studies must use this system to~~
 177.25 ~~notify the commissioner of discontinued affiliation for purposes of the processes required~~
 177.26 ~~under paragraph (a).~~ Notwithstanding paragraph (a), every individual continuously affiliated
 177.27 with a child care provider must have a new background study initiated every five years.

177.28 (c) After an entity initiating a background study has paid the applicable fee for the study
 177.29 and has provided the individual with the privacy notice required under section 245C.05,
 177.30 subdivision 2c, NETStudy 2.0 shall immediately inform the entity whether the individual
 177.31 requires a background study or whether the individual is immediately eligible to provide
 177.32 services based on a previous background study. If the individual is immediately eligible,
 177.33 the entity initiating the background study shall be able to view the information previously
 177.34 supplied by the individual who is the subject of a background study as required under section

178.1 ~~245C.05, subdivision 1, including the individual's photograph taken at the time the~~
178.2 ~~individual's fingerprints were recorded. The commissioner shall not provide any entity~~
178.3 ~~initiating a subsequent background study with information regarding the other entities that~~
178.4 ~~initiated background studies on the subject.~~

178.5 ~~(d) Verification that an individual is eligible to provide services based on a previous~~
178.6 ~~background study is dependent on the individual voluntarily providing the individual's~~
178.7 ~~Social Security number to the commissioner at the time each background study is initiated.~~
178.8 ~~When an individual does not provide the individual's Social Security number for the~~
178.9 ~~background study, that study is not transferable and a repeat background study on that~~
178.10 ~~individual is required if the individual seeks a position requiring a background study under~~
178.11 ~~this chapter with another entity.~~

178.12 Sec. 25. Minnesota Statutes 2025 Supplement, section 245C.05, subdivision 5, is amended
178.13 to read:

178.14 **Subd. 5. Fingerprints and photograph.** (a) Notwithstanding paragraph (c), for
178.15 background studies conducted by the commissioner for current or prospective child foster
178.16 or adoptive parents, and for any adult working in a children's residential facility, the subject
178.17 of the background study shall provide the commissioner with a set of classifiable fingerprints
178.18 obtained from an authorized agency for a national criminal history record check.

178.19 (b) Notwithstanding paragraph (c), for background studies conducted by the commissioner
178.20 for Head Start programs, the subject of the background study shall provide the commissioner
178.21 with a set of classifiable fingerprints obtained from an authorized agency for a national
178.22 criminal history record check.

178.23 (c) For background studies initiated on or after the implementation of NETStudy 2.0,
178.24 except as provided under subdivision 5a, every subject of a background study must provide
178.25 the commissioner with a set of the background study subject's classifiable fingerprints and
178.26 photograph. The photograph and fingerprints must be recorded at the same time by the
178.27 authorized fingerprint collection vendor or vendors and sent to the commissioner through
178.28 the commissioner's secure data system described in section 245C.32, subdivision 1a,
178.29 paragraph (b).

178.30 (d) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal
178.31 Apprehension and, when specifically required by law, submitted to the Federal Bureau of
178.32 Investigation for a national criminal history record check.

179.1 (e) The fingerprints must not be retained by the Department of Public Safety, Bureau
179.2 of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will
179.3 not retain background study subjects' fingerprints.

179.4 (f) The authorized fingerprint collection vendor or vendors shall, for purposes of verifying
179.5 the identity of the background study subject, be able to view the identifying information
179.6 entered into NETStudy 2.0 by the entity that initiated the background study, but shall not
179.7 retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The
179.8 authorized fingerprint collection vendor or vendors shall retain no more than the name and
179.9 date and time the subject's fingerprints were recorded and sent, only as necessary for auditing
179.10 and billing activities.

179.11 (g) For any background study conducted under this chapter, except for family child
179.12 foster care ~~or~~, adoption, adult day services, or adult foster care studies, the subject shall
179.13 provide the commissioner with a set of classifiable fingerprints when the commissioner has
179.14 reasonable cause to require a national criminal history record check as defined in section
179.15 245C.02, subdivision 15a.

179.16 **EFFECTIVE DATE.** This section is effective January 25, 2028.

179.17 Sec. 26. Minnesota Statutes 2025 Supplement, section 245C.05, subdivision 5a, is amended
179.18 to read:

179.19 Subd. 5a. **Background study requirements for minors.** (a) A background study
179.20 completed under this chapter on a subject who is required to be studied under section
179.21 245C.03, ~~subdivision 1~~, and is 17 years of age or younger shall be completed by the
179.22 commissioner for:

179.23 (1) a legal nonlicensed child care provider authorized under chapter 142E;

179.24 (2) a licensed family child care program; or

179.25 (3) a licensed foster care home.

179.26 (b) The subject shall submit to the commissioner only the information under subdivision
179.27 1, paragraph (a).

179.28 (c) For child care studies, a subject who is 17 years of age or younger is required to
179.29 submit fingerprints and a photograph, and the commissioner shall conduct a national criminal
179.30 history record check, if:

179.31 (1) the commissioner has reasonable cause to require a national criminal history record
179.32 check defined in section 245C.02, subdivision 15a; or

180.1 (2) under paragraph (a), clauses (1) and (2), the subject is employed by the provider or
180.2 supervises children served by the program.

180.3 (d) For child care studies, a subject who is 17 years of age or younger is required to
180.4 submit non-fingerprint-based data according to section 245C.08, subdivision 1, paragraph
180.5 (a), clause (6), item (iii), and the commissioner shall conduct the check if:

180.6 (1) the commissioner has reasonable cause to require a national criminal history record
180.7 check defined in section 245C.02, subdivision 15a; or

180.8 (2) the subject is employed by the provider or supervises children served by the program
180.9 under paragraph (a), clauses (1) and (2).

180.10 Sec. 27. Minnesota Statutes 2025 Supplement, section 245C.08, subdivision 1, is amended
180.11 to read:

180.12 Subdivision 1. **Background studies conducted by Department of Human Services.** (a)
180.13 For a background study conducted by the Department of Human Services, the commissioner
180.14 shall review:

180.15 (1) information related to names of substantiated perpetrators of maltreatment of
180.16 vulnerable adults that has been received by the commissioner as required under section
180.17 626.557, subdivision 9c, paragraph (j);

180.18 (2) the commissioner's records relating to the maltreatment of minors in licensed
180.19 programs, and from findings of maltreatment of minors as indicated through the social
180.20 service information system;

180.21 (3) information from juvenile courts as required for studies under this chapter when
180.22 there is reasonable cause;

180.23 (4) information from the Bureau of Criminal Apprehension, including information
180.24 regarding a background study subject's registration in Minnesota as a predatory offender
180.25 under section 243.166;

180.26 (5) except as provided in clause (6), information received as a result of submission of
180.27 fingerprints for a national criminal history record check, as defined in section 245C.02,
180.28 subdivision 13c, when the commissioner has reasonable cause for a national criminal history
180.29 record check as defined under section 245C.02, subdivision 15a, or as required under section
180.30 144.057, subdivision 1, clause (2);

180.31 (6) for a background study related to a child foster family setting application for licensure,
180.32 foster residence settings, children's residential facilities, a transfer of permanent legal and

181.1 physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a
181.2 background study required for family child care, certified license-exempt child care, child
181.3 care centers, and legal nonlicensed child care authorized under chapter 142E, the
181.4 commissioner shall also review:

181.5 (i) information from the child abuse and neglect registry for any state in which the
181.6 background study subject has resided for the past five years;

181.7 (ii) information received from a national criminal history record check, if authorized for
181.8 the study; and

181.9 (iii) when the background study subject is 18 years of age or older or a minor under
181.10 section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified
181.11 license-exempt child care, licensed child care centers, and legal nonlicensed child care
181.12 authorized under chapter 142E, information obtained using non-fingerprint-based data
181.13 including information from the criminal and sex offender registries for any state in which
181.14 the background study subject resided for the past five years and information from the national
181.15 crime information database and the national sex offender registry;

181.16 (7) for a background study required for family child care, certified license-exempt child
181.17 care centers, licensed child care centers, and legal nonlicensed child care authorized under
181.18 chapter 142E, the background study shall also include, to the extent practicable, a name and
181.19 date-of-birth search of the National Sex Offender Public website; and

181.20 (8) for a background study required for treatment programs for sexual psychopathic
181.21 personalities or sexually dangerous persons, the background study shall only include a
181.22 review of the information required under paragraph (a), clauses (1) to (4).

181.23 (b) Except as otherwise provided in this paragraph, notwithstanding expungement by a
181.24 court, the commissioner may consider information obtained under paragraph (a), clauses
181.25 (3) and (4), unless:

181.26 (1) the commissioner received notice of the petition for expungement and the court order
181.27 for expungement is directed specifically to the commissioner; or

181.28 (2) the commissioner received notice of the expungement order issued pursuant to section
181.29 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically
181.30 to the commissioner.

181.31 The commissioner may not consider information obtained under paragraph (a), clauses (3)
181.32 and (4), or from any other source that identifies a violation of chapter 152 without
181.33 determining if the offense involved the possession of marijuana or tetrahydrocannabinol

182.1 and, if so, whether the person received a grant of expungement or order of expungement,
182.2 or the person was resentenced to a lesser offense. If the person received a grant of
182.3 expungement or order of expungement, the commissioner may not consider information
182.4 related to that violation but may consider any other relevant information arising out of the
182.5 same incident.

182.6 (c) The commissioner shall also review criminal case information received according
182.7 to section 245C.04, ~~subdivision 4a~~, from the Minnesota court information system that relates
182.8 to individuals who have already been studied under this chapter and who remain affiliated
182.9 with the agency that initiated the background study.

182.10 (d) When the commissioner has reasonable cause to believe that the identity of a
182.11 background study subject is uncertain, the commissioner may require the subject to provide
182.12 a set of classifiable fingerprints for purposes of completing a fingerprint-based record check
182.13 with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph
182.14 shall not be saved by the commissioner after they have been used to verify the identity of
182.15 the background study subject against the particular criminal record in question.

182.16 (e) The commissioner may inform the entity that initiated a background study under
182.17 NETStudy 2.0 of the status of processing of the subject's fingerprints.

182.18 Sec. 28. Minnesota Statutes 2024, section 245C.10, subdivision 4, is amended to read:

182.19 Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational**
182.20 **programs, and professional services agencies.** The commissioner shall recover the cost
182.21 of the background studies initiated by temporary personnel agencies, personnel pool agencies,
182.22 educational programs, and professional services agencies that initiate background studies
182.23 under section 245C.03, ~~subdivision 4~~, through a fee of no more than \$44 per study charged
182.24 to the agency. The fees collected under this subdivision are appropriated to the commissioner
182.25 for the purpose of conducting background studies.

182.26 Sec. 29. Minnesota Statutes 2024, section 245C.10, subdivision 5, is amended to read:

182.27 Subd. 5. **Adult foster care and family adult day services.** The commissioner shall
182.28 recover the cost of background studies required under section 245C.03, ~~subdivision 1~~, for
182.29 the purposes of adult foster care and family adult day services licensing, through a fee of
182.30 no more than \$44 per study charged to the license holder. The fees collected under this
182.31 subdivision are appropriated to the commissioner for the purpose of conducting background
182.32 studies.

183.1 Sec. 30. Minnesota Statutes 2024, section 245C.10, subdivision 8, is amended to read:

183.2 Subd. 8. **Children's therapeutic services and supports providers.** The commissioner
183.3 shall recover the cost of background studies required under section 245C.03, ~~subdivision~~
183.4 ~~7~~, for the purposes of children's therapeutic services and supports under section 256B.0943,
183.5 through a fee of no more than \$44 per study charged to the license holder. The fees collected
183.6 under this subdivision are appropriated to the commissioner for the purpose of conducting
183.7 background studies.

183.8 Sec. 31. Minnesota Statutes 2025 Supplement, section 245C.10, subdivision 9, is amended
183.9 to read:

183.10 Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost
183.11 of background studies required under section 245C.03, ~~subdivision 1~~, for all programs that
183.12 are licensed by the commissioner through a fee of no more than \$44 per study charged to
183.13 the license holder. The fees collected under this subdivision are appropriated to the
183.14 commissioner for the purpose of conducting background studies.

183.15 Sec. 32. Minnesota Statutes 2024, section 245C.10, subdivision 17, is amended to read:

183.16 Subd. 17. **Early intensive developmental and behavioral intervention providers.** The
183.17 commissioner shall recover the cost of background studies required under section 245C.03,
183.18 ~~subdivision 15~~, for the purposes of early intensive developmental and behavioral intervention
183.19 under section 256B.0949, through a fee of no more than \$44 per study charged to the enrolled
183.20 agency. The fees collected under this subdivision are appropriated to the commissioner for
183.21 the purpose of conducting background studies.

183.22 Sec. 33. Minnesota Statutes 2025 Supplement, section 245C.10, subdivision 22, is amended
183.23 to read:

183.24 Subd. 22. **Recuperative care providers.** The commissioner shall recover the cost of
183.25 background studies required under section 245C.03, ~~subdivision 16~~, for recuperative care
183.26 under section 256B.0701, through a fee of no more than \$44 per study charged to the enrolled
183.27 provider. The fees collected under this subdivision are appropriated to the commissioner
183.28 for the purpose of conducting background studies.

184.1 Sec. 34. Minnesota Statutes 2025 Supplement, section 245C.13, subdivision 2, is amended
184.2 to read:

184.3 Subd. 2. **Activities pending completion of background study.** The subject of a
184.4 background study may not perform any activity requiring a background study under
184.5 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

184.6 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

184.7 (1) a notice of the study results under section 245C.17 stating that:

184.8 (i) the individual is not disqualified; or

184.9 (ii) more time is needed to complete the study but the individual is not required to be
184.10 removed from direct contact or access to people receiving services prior to completion of
184.11 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice
184.12 that more time is needed to complete the study must also indicate whether the individual is
184.13 required to be under continuous direct supervision prior to completion of the background
184.14 study. When more time is necessary to complete a background study of an individual
184.15 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,
184.16 the individual may not work in the facility or setting regardless of whether or not the
184.17 individual is supervised;

184.18 (2) a notice that a disqualification has been set aside under section 245C.23; or

184.19 (3) a notice that a variance has been granted related to the individual under section
184.20 245C.30.

184.21 (b) For a background study affiliated with a licensed child care center or certified
184.22 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
184.23 must not be issued until the commissioner receives a qualifying result for the individual for
184.24 the fingerprint-based national criminal history record check or the fingerprint-based criminal
184.25 history information from the Bureau of Criminal Apprehension. The notice must require
184.26 the individual to be under continuous direct supervision prior to completion of the remainder
184.27 of the background study except as permitted in subdivision 3.

184.28 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

184.29 (1) being issued a license;

184.30 (2) living in the household where the licensed program will be provided;

184.31 (3) providing direct contact services to persons served by a program unless the subject
184.32 is under continuous direct supervision;

185.1 (4) having access to persons receiving services if the background study was completed
 185.2 under section 144.057, subdivision 1, or 245C.03, ~~subdivision 1, paragraph (a), clause (2),~~
 185.3 ~~(5), or (6)~~; unless the subject is under continuous direct supervision;

185.4 (5) for licensed child care centers and certified license-exempt child care centers,
 185.5 providing direct contact services to persons served by the program;

185.6 (6) for children's residential facilities or foster residence settings, working in the facility
 185.7 or setting; or

185.8 (7) for background studies affiliated with a personal care provider organization, ~~except~~
 185.9 ~~as provided in section 245C.03, subdivision 3b,~~ early intensive developmental and behavioral
 185.10 intervention provider, housing support or supplementary services provider, special
 185.11 transportation services provider, or community first services and supports provider before
 185.12 ~~a personal care assistant~~ an individual provides services, the ~~personal care assistance provider~~
 185.13 ~~agency entity~~ must initiate a background study of the personal care assistant individual
 185.14 ~~under this chapter and the personal care assistance provider agency entity~~ must have received
 185.15 ~~a notice from the commissioner that the personal care assistant individual~~ is:

185.16 (i) not disqualified under section 245C.14; or

185.17 (ii) disqualified, but the ~~personal care assistant individual~~ individual has received a set aside of the
 185.18 disqualification under section 245C.22; ~~or.~~

185.19 ~~(8) for background studies affiliated with an early intensive developmental and behavioral~~
 185.20 ~~intervention provider, before an individual provides services, the early intensive~~
 185.21 ~~developmental and behavioral intervention provider must initiate a background study for~~
 185.22 ~~the individual under this chapter and the early intensive developmental and behavioral~~
 185.23 ~~intervention provider must have received a notice from the commissioner that the individual~~
 185.24 ~~is:~~

185.25 ~~(i) not disqualified under section 245C.14; or~~

185.26 ~~(ii) disqualified, but the individual has received a set aside of the disqualification under~~
 185.27 ~~section 245C.22.~~

185.28 Sec. 35. Minnesota Statutes 2024, section 245C.14, subdivision 1, is amended to read:

185.29 Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall
 185.30 disqualify an individual who is the subject of a background study from any position allowing
 185.31 direct contact with persons receiving services from the license holder or entity identified in

186.1 section 245C.03, upon receipt of information showing, or when a background study
186.2 completed under this chapter shows any of the following:

186.3 (1) a conviction of, admission to, or Alford plea to one or more crimes listed in section
186.4 245C.15, regardless of whether the conviction or admission is a felony, gross misdemeanor,
186.5 or misdemeanor level crime;

186.6 (2) a preponderance of the evidence indicates the individual has committed an act or
186.7 acts that meet the definition of any of the crimes listed in section 245C.15, regardless of
186.8 whether the preponderance of the evidence is for a felony, gross misdemeanor, or
186.9 misdemeanor level crime;

186.10 (3) an investigation results in an administrative determination listed under section
186.11 245C.15, subdivision 4, paragraph (b); or

186.12 (4) the individual's parental rights have been terminated under section 260C.301,
186.13 subdivision 1, paragraph (b), or section 260C.301, subdivision 3.

186.14 (b) No individual who is disqualified following a background study under section
186.15 245C.03, ~~subdivisions 1 and 2~~, may be retained in a position involving direct contact with
186.16 persons served by a program or entity identified in section 245C.03, unless the commissioner
186.17 has provided written notice under section 245C.17 stating that:

186.18 (1) the individual may remain in direct contact during the period in which the individual
186.19 may request reconsideration as provided in section 245C.21, subdivision 2;

186.20 (2) the commissioner has set aside the individual's disqualification for that program or
186.21 entity identified in section 245C.03, as provided in section 245C.22, subdivision 4; or

186.22 (3) the license holder has been granted a variance for the disqualified individual under
186.23 section 245C.30.

186.24 (c) Notwithstanding paragraph (a), for the purposes of a background study affiliated
186.25 with a licensed family foster setting, the commissioner shall disqualify an individual who
186.26 is the subject of a background study from any position allowing direct contact with persons
186.27 receiving services from the license holder or entity identified in section 245C.03, upon
186.28 receipt of information showing or when a background study completed under this chapter
186.29 shows reason for disqualification under section 245C.15, subdivision 4a.

186.30 Sec. 36. Minnesota Statutes 2024, section 245C.14, subdivision 2, is amended to read:

186.31 Subd. 2. **Disqualification from access.** (a) If an individual who is studied under section
186.32 245C.03, ~~subdivision 1, paragraph (a), clauses (2), (5), and (6)~~, is disqualified from direct

187.1 contact under subdivision 1, the commissioner shall also disqualify the individual from
187.2 access to a person receiving services from the license holder.

187.3 (b) No individual who is disqualified following a background study under section
187.4 245C.03, ~~subdivision 1, paragraph (a), clauses (2), (5), and (6), or as provided elsewhere~~
187.5 ~~in statute who is disqualified as a result of this section,~~ may be allowed access to persons
187.6 served by the program unless the commissioner has provided written notice under section
187.7 245C.17 stating that:

187.8 (1) the individual may remain in direct contact during the period in which the individual
187.9 may request reconsideration as provided in section 245C.21, subdivision 2;

187.10 (2) the commissioner has set aside the individual's disqualification for that licensed
187.11 program or entity identified in section 245C.03 as provided in section 245C.22, subdivision
187.12 4; or

187.13 (3) the license holder has been granted a variance for the disqualified individual under
187.14 section 245C.30.

187.15 Sec. 37. Minnesota Statutes 2025 Supplement, section 245C.16, subdivision 1, is amended
187.16 to read:

187.17 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines
187.18 that the individual studied has a disqualifying characteristic, the commissioner shall review
187.19 the information immediately available and make a determination as to the subject's immediate
187.20 risk of harm to persons served by the program where the individual studied will have direct
187.21 contact with, or access to, people receiving services.

187.22 (b) The commissioner shall consider all relevant information available, including the
187.23 following factors in determining the immediate risk of harm:

187.24 (1) the recency of the disqualifying characteristic;

187.25 (2) the recency of discharge from probation for the crimes;

187.26 (3) the number of disqualifying characteristics;

187.27 (4) the intrusiveness or violence of the disqualifying characteristic;

187.28 (5) the vulnerability of the victim involved in the disqualifying characteristic;

187.29 (6) the similarity of the victim to the persons served by the program where the individual
187.30 studied will have direct contact;

188.1 (7) whether the individual has a disqualification from a previous background study that
188.2 has not been set aside;

188.3 (8) if the individual has a disqualification which may not be set aside because it is a
188.4 permanent bar under section 245C.24, subdivision 1, or the individual is a child care
188.5 background study subject who has a felony-level conviction for a drug-related offense in
188.6 the last five years, the commissioner may order the immediate removal of the individual
188.7 from any position allowing direct contact with, or access to, persons receiving services from
188.8 the program and from working in a children's residential facility or foster residence setting;
188.9 and

188.10 (9) if the individual has a disqualification which may not be set aside because it is a
188.11 permanent bar under section 245C.24, subdivision 2, or the individual is a child care
188.12 background study subject who has a felony-level conviction for a drug-related offense during
188.13 the last five years, the commissioner may order the immediate removal of the individual
188.14 from any position allowing direct contact with or access to persons receiving services from
188.15 the center and from working in a licensed child care center or certified license-exempt child
188.16 care center.

188.17 (c) This section does not apply when the subject of a background study is regulated by
188.18 a health-related licensing board as defined in chapter 214, and the subject is determined to
188.19 be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

188.20 (d) This section does not apply to a background study related to an initial application
188.21 for a child foster family setting license.

188.22 (e) Except for paragraph (f), this section does not apply to a background study that is
188.23 also subject to the requirements under section ~~256B.0659, subdivisions 11 and 13, for a~~
188.24 ~~personal care assistant or a qualified professional as defined in section 256B.0659,~~
188.25 ~~subdivision 1, or to a background study for an individual providing early intensive~~
188.26 ~~developmental and behavioral intervention services under section 256B.0949~~ 245C.13,
188.27 subdivision 2, paragraph (c), clause (7).

188.28 (f) If the commissioner has reason to believe, based on arrest information or an active
188.29 maltreatment investigation, that an individual poses an imminent risk of harm to persons
188.30 receiving services, the commissioner may order that the person be continuously supervised
188.31 or immediately removed pending the conclusion of the maltreatment investigation or criminal
188.32 proceedings.

189.1 Sec. 38. Minnesota Statutes 2025 Supplement, section 245C.22, subdivision 5, is amended
189.2 to read:

189.3 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under
189.4 this section, the disqualified individual remains disqualified, but may hold a license and
189.5 have direct contact with or access to persons receiving services. Except as provided in
189.6 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the
189.7 licensed program, applicant, or agency specified in the set aside notice under section 245C.23.
189.8 For personal care provider organizations, financial management services organizations,
189.9 community first services and supports organizations, unlicensed home and community-based
189.10 organizations, and consumer-directed community supports organizations, the commissioner's
189.11 set-aside may further be limited to a specific individual who is receiving services. For new
189.12 background studies required under section 245C.04, ~~subdivision 1, paragraph (h)~~, if an
189.13 individual's disqualification was previously set aside for the license holder's program and
189.14 the new background study results in no new information that indicates the individual may
189.15 pose a risk of harm to persons receiving services from the license holder, the previous
189.16 set-aside shall remain in effect.

189.17 (b) If the commissioner has previously set aside an individual's disqualification for one
189.18 or more programs or agencies, and the individual is the subject of a subsequent background
189.19 study for a different program or agency, the commissioner shall determine whether the
189.20 disqualification is set aside for the program or agency that initiated the subsequent
189.21 background study. A notice of a set-aside under paragraph (c) shall be issued within 15
189.22 working days if all of the following criteria are met:

189.23 (1) the subsequent background study was initiated in connection with a program licensed
189.24 or regulated under the same provisions of law and rule for at least one program for which
189.25 the individual's disqualification was previously set aside by the commissioner;

189.26 (2) the individual is not disqualified for an offense specified in section 245C.15,
189.27 subdivision 1 or 2;

189.28 (3) the commissioner has received no new information to indicate that the individual
189.29 may pose a risk of harm to any person served by the program; and

189.30 (4) the previous set-aside was not limited to a specific person receiving services.

189.31 (c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the
189.32 substance use disorder field, if the commissioner has previously set aside an individual's
189.33 disqualification for one or more programs or agencies in the substance use disorder treatment
189.34 field, and the individual is the subject of a subsequent background study for a different

190.1 program or agency in the substance use disorder treatment field, the commissioner shall set
190.2 aside the disqualification for the program or agency in the substance use disorder treatment
190.3 field that initiated the subsequent background study when the criteria under paragraph (b),
190.4 clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified
190.5 in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued
190.6 within 15 working days.

190.7 (d) When a disqualification is set aside under paragraph (b), the notice of background
190.8 study results issued under section 245C.17, in addition to the requirements under section
190.9 245C.17, shall state that the disqualification is set aside for the program or agency that
190.10 initiated the subsequent background study. The notice must inform the individual that the
190.11 individual may request reconsideration of the disqualification under section 245C.21 on the
190.12 basis that the information used to disqualify the individual is incorrect.

190.13 Sec. 39. Minnesota Statutes 2024, section 245C.24, subdivision 2, is amended to read:

190.14 Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in
190.15 paragraphs (b) to (g), the commissioner may not set aside the disqualification of any
190.16 individual disqualified pursuant to this chapter, regardless of how much time has passed,
190.17 if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision
190.18 1.

190.19 (b) For an individual in the substance use disorder or corrections field who was
190.20 disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose
190.21 disqualification was set aside prior to July 1, 2005, the commissioner must consider granting
190.22 a variance pursuant to section 245C.30 for the license holder for a program dealing primarily
190.23 with adults. A request for reconsideration evaluated under this paragraph must include a
190.24 letter of recommendation from the license holder that was subject to the prior set-aside
190.25 decision addressing the individual's quality of care to children or vulnerable adults and the
190.26 circumstances of the individual's departure from that service.

190.27 (c) If an individual who requires a background study for nonemergency medical
190.28 transportation services under section 245C.03, ~~subdivision 12~~, was disqualified for a crime
190.29 or conduct listed under section 245C.15, subdivision 1, and if more than 40 years have
190.30 passed since the discharge of the sentence imposed, the commissioner may consider granting
190.31 a set-aside pursuant to section 245C.22. A request for reconsideration evaluated under this
190.32 paragraph must include a letter of recommendation from the employer. This paragraph does
190.33 not apply to a person disqualified based on a violation of sections 243.166; 609.185 to

191.1 609.205; 609.25; 609.342 to 609.3453; 609.352; 617.23, subdivision 2, clause (1), or 3,
191.2 clause (1); 617.246; or 617.247.

191.3 (d) When a licensed foster care provider adopts an individual who had received foster
191.4 care services from the provider for over six months, and the adopted individual is required
191.5 to receive a background study under section 245C.03, ~~subdivision 1, paragraph (a), clause~~
191.6 ~~(2) or (6)~~, the commissioner may grant a variance to the license holder under section 245C.30
191.7 to permit the adopted individual with a permanent disqualification to remain affiliated with
191.8 the license holder under the conditions of the variance when the variance is recommended
191.9 by the county of responsibility for each of the remaining individuals in placement in the
191.10 home and the licensing agency for the home.

191.11 (e) For an individual 18 years of age or older affiliated with a licensed family foster
191.12 setting, the commissioner must not set aside or grant a variance for the disqualification of
191.13 any individual disqualified pursuant to this chapter, regardless of how much time has passed,
191.14 if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision
191.15 4a, paragraphs (a) and (b).

191.16 (f) In connection with a family foster setting license, the commissioner may grant a
191.17 variance to the disqualification for an individual who is under 18 years of age at the time
191.18 the background study is submitted.

191.19 (g) In connection with foster residence settings and children's residential facilities, the
191.20 commissioner must not set aside or grant a variance for the disqualification of any individual
191.21 disqualified pursuant to this chapter, regardless of how much time has passed, if the individual
191.22 was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraph
191.23 (a) or (b).

191.24 Sec. 40. Minnesota Statutes 2024, section 245D.09, subdivision 6, is amended to read:

191.25 Subd. 6. **Subcontractors and temporary staff.** If the license holder uses a subcontractor
191.26 or temporary staff to perform services licensed under this chapter on the license holder's
191.27 behalf, the license holder must ensure that the subcontractor or temporary staff meets and
191.28 maintains compliance with all requirements under this chapter that apply to the services to
191.29 be provided, including training, orientation, and supervision necessary to fulfill their
191.30 responsibilities. The license holder must ensure that a background study has been completed
191.31 according to the requirements in sections 245C.03, ~~subdivision 1~~, and 245C.04.

191.32 Subcontractors and temporary staff hired by the license holder must meet the Minnesota
191.33 licensing requirements applicable to the disciplines in which they are providing services.

192.1 The license holder must maintain documentation that the applicable requirements have been
192.2 met.

192.3 Sec. 41. Minnesota Statutes 2024, section 245D.09, subdivision 7, is amended to read:

192.4 Subd. 7. **Volunteers.** The license holder must ensure that volunteers who provide direct
192.5 support services to persons served by the program receive the training, orientation, and
192.6 supervision necessary to fulfill their responsibilities. The license holder must ensure that a
192.7 background study has been completed according to the requirements in sections 245C.03,
192.8 ~~subdivision 1,~~ and 245C.04. The license holder must maintain documentation that the
192.9 applicable requirements have been met.

192.10 Sec. 42. Minnesota Statutes 2024, section 256B.0943, subdivision 5a, is amended to read:

192.11 Subd. 5a. **Background studies.** The requirements for background studies under section
192.12 245I.011, subdivision 5, paragraph (b), may be met by a children's therapeutic services and
192.13 supports services agency through the commissioner's NETStudy system as provided under
192.14 sections 245C.03, ~~subdivision 7,~~ and 245C.10, subdivision 8.

192.15 Sec. 43. Minnesota Statutes 2025 Supplement, section 256I.04, subdivision 2c, is amended
192.16 to read:

192.17 Subd. 2c. **Background study requirements.** (a) A provider of housing support must
192.18 initiate background studies in accordance with section 245C.03, ~~subdivision 10.~~

192.19 (b) A provider initiating a background study pursuant to chapter 245C is not required
192.20 to initiate a background study in accordance with sections 299C.66 to 299C.71 or chapter
192.21 364.

192.22 Sec. 44. **REPEALER.**

192.23 (a) Minnesota Statutes 2024, sections 245C.03, subdivisions 3a, 3b, 5, 6a, and 9a; and
192.24 245C.04, subdivisions 2, 3, 4, 5, 7, 8, 9, 10, and 11, are repealed.

192.25 (b) Minnesota Statutes 2025 Supplement, section 245C.04, subdivisions 6, 12, and 13,
192.26 are repealed.

193.1

ARTICLE 7

193.2

MISCELLANEOUS

193.3 Section 1. Minnesota Statutes 2024, section 62D.04, subdivision 5, is amended to read:

193.4 Subd. 5. **Participation; government programs.** (a) Health maintenance organizations
193.5 that are a nonprofit corporation organized under chapter 317A or a local governmental unit
193.6 shall, as a condition of receiving and retaining a certificate of authority, participate in the
193.7 medical assistance and MinnesotaCare programs. A health maintenance organization
193.8 governed by this subdivision is required to submit proposals in good faith that meet the
193.9 requirements of the request for proposal provided that the requirements can be reasonably
193.10 met by a health maintenance organization to serve individuals eligible for the above programs
193.11 in a geographic region of the state if, at the time of publication of a request for proposal,
193.12 the percentage of recipients in the public programs in the region who are enrolled in the
193.13 health maintenance organization is less than the health maintenance organization's percentage
193.14 of the total number of individuals enrolled in health maintenance organizations in the same
193.15 region. Geographic regions shall be defined by the commissioner of human services in the
193.16 request for proposals. This paragraph expires upon the effective date of paragraph (b).

193.17 (b) Effective January 1, 2029, or upon the date the administrative service organization
193.18 begins administering medical assistance under section 256B.697, whichever is later, a health
193.19 maintenance organization that is a nonprofit corporation organized under chapter 317A or
193.20 a local governmental unit shall, as a condition of receiving and retaining a certificate of
193.21 authority, participate in the integrated medical assistance and MinnesotaCare programs. A
193.22 health maintenance organization governed by this subdivision is required to submit proposals
193.23 in good faith that meet the requirements of the request for proposal provided that the
193.24 requirements can be reasonably met by a health maintenance organization. A health
193.25 maintenance organization must serve individuals eligible for the integrated medical assistance
193.26 and MinnesotaCare programs in a geographic region of the state if, at the time of publication
193.27 of a request for proposal, the percentage of recipients in the public programs in the region
193.28 who are enrolled in the health maintenance organization is less than the health maintenance
193.29 organization's percentage of the total number of individuals enrolled in health maintenance
193.30 organizations in the same region. The commissioner of human services must define
193.31 geographic regions in the request for proposals.

193.32 (c) The commissioner of human services must notify the revisor of statutes when the
193.33 administrative service organization begins administering medical assistance.

194.1 Sec. 2. Minnesota Statutes 2024, section 256B.05, subdivision 1, is amended to read:

194.2 Subdivision 1. **Administration of medical assistance.** (a) The county agencies shall
194.3 administer medical assistance in their respective counties under the supervision of the state
194.4 agency and the commissioner of human services as specified in section 256.01, and shall
194.5 make such reports, prepare such statistics, and keep such records and accounts in relation
194.6 to medical assistance as the state agency may require under section 256.01, subdivision 2,
194.7 paragraph (o).

194.8 (b) The commissioner must administer specific duties related to determining medical
194.9 assistance eligibility on behalf of a county agency administration to ensure compliance with
194.10 federal and state requirements for the medical assistance program. The commissioner must
194.11 undertake the specific duties on a statewide and uniform administrative and operational
194.12 basis.

194.13 Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 3c, is amended to read:

194.14 Subd. 3c. **Health Services Advisory Council.** (a) The commissioner, after receiving
194.15 recommendations from professional physician associations, professional associations
194.16 representing licensed nonphysician health care professionals, and consumer groups, shall
194.17 establish a 14-member Health Services Advisory Council, which consists of 13 voting
194.18 members and one nonvoting member. The Health Services Advisory Council shall advise
194.19 the commissioner regarding (1) health services pertaining to the administration of health
194.20 care benefits covered under Minnesota health care programs (MHCP); and (2) evidence-based
194.21 decision-making and health care benefit and coverage policies for MHCP. The Health
194.22 Services Advisory Council shall consider available evidence regarding quality, safety, and
194.23 cost-effectiveness when advising the commissioner. The Health Services Advisory Council
194.24 shall meet at least quarterly. The Health Services Advisory Council shall annually select a
194.25 chair from among its members who shall work directly with the commissioner's medical
194.26 director to establish the agenda for each meeting. The Health Services Advisory Council
194.27 may recommend criteria for verifying centers of excellence for specific aspects of medical
194.28 care where a specific set of combined services, a volume of patients necessary to maintain
194.29 a high level of competency, or a specific level of technical capacity is associated with
194.30 improved health outcomes.

194.31 (b) The commissioner shall establish a dental subcouncil to operate under the Health
194.32 Services Advisory Council. The dental subcouncil consists of general dentists, dental
194.33 specialists, safety net providers, dental hygienists, ~~health plan company~~ entities under
194.34 contract to serve MHCP and county and public health representatives, health researchers,

195.1 consumers, and a designee of the commissioner of health. The dental subcouncil shall advise
195.2 the commissioner regarding:

195.3 (1) the critical access dental program under section 256B.76, subdivision 4, including
195.4 but not limited to criteria for designating and terminating critical access dental providers;

195.5 (2) any changes to the critical access dental provider program necessary to comply with
195.6 program expenditure limits;

195.7 (3) dental coverage policy based on evidence, quality, continuity of care, and best
195.8 practices;

195.9 (4) the development of dental delivery models; and

195.10 (5) dental services to be added or eliminated from subdivision 9.

195.11 (c) The Health Services Advisory Council may monitor and track the practice patterns
195.12 of health care providers who serve MHCP recipients ~~under fee-for-service, managed care,~~
195.13 ~~and county-based purchasing.~~ The monitoring and tracking shall focus on services or
195.14 specialties for which there is a high variation in utilization or quality across providers, or
195.15 which are associated with high medical costs. The commissioner, based upon the findings
195.16 of the Health Services Advisory Council, may notify providers whose practice patterns
195.17 indicate below average quality or higher than average utilization or costs. ~~Managed care~~
195.18 ~~and county-based purchasing plans~~ Entities contracted to administer MHCP programs shall
195.19 provide the commissioner with utilization and cost data necessary to implement this
195.20 paragraph, and the commissioner shall make these data available to the Health Services
195.21 Advisory Council.

195.22 Sec. 4. Minnesota Statutes 2024, section 256B.0625, subdivision 3d, is amended to read:

195.23 Subd. 3d. **Health Services Advisory Council members.** (a) The Health Services
195.24 Advisory Council consists of:

195.25 (1) six voting members who are licensed physicians actively engaged in the practice of
195.26 medicine in Minnesota, three of whom must represent ~~health plans~~ entities currently under
195.27 contract to serve MHCP recipients, including but not limited to integrated health partnerships,
195.28 health plans, and county-based purchasing plans;

195.29 (2) two voting members who are licensed physician specialists actively practicing their
195.30 specialty in Minnesota and providing care to MHCP recipients;

196.1 (3) two voting members who are nonphysician health care professionals licensed or
196.2 registered in their profession and actively engaged in their practice of their profession in
196.3 Minnesota and providing care to MHCP recipients;

196.4 (4) one voting member who is a health care or mental health professional licensed or
196.5 registered in the member's profession, actively engaged in the practice of the member's
196.6 profession in Minnesota, ~~and~~ actively engaged in the treatment of persons with mental
196.7 illness, and providing care to MHCP recipients;

196.8 (5) two consumers who are enrolled in MHCP programs directly or are caregivers for
196.9 MHCP recipients who shall serve as voting members; and

196.10 (6) the commissioner's medical director who shall serve as a nonvoting member.

196.11 (b) Members of the Health Services Advisory Council shall not be employed by the state
196.12 of Minnesota, except for the medical director. A quorum shall comprise a simple majority
196.13 of the voting members. Vacant seats shall not count toward a quorum.

196.14 Sec. 5. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 14, is
196.15 amended to read:

196.16 Subd. 14. **Use of MnCHOICES certified assessors required.** (a) Each lead agency
196.17 shall use MnCHOICES certified assessors who have completed MnCHOICES training and
196.18 the certification process determined by the commissioner in subdivision 13.

196.19 (b) Each lead agency must ensure that the lead agency has sufficient numbers of certified
196.20 assessors to provide long-term consultation assessment and support planning within the
196.21 timelines and parameters of the service.

196.22 (c) A lead agency may choose, according to departmental policies, to contract with a
196.23 qualified, certified assessor to conduct assessments and reassessments on behalf of the lead
196.24 agency.

196.25 (d) Tribes and health plans under contract with the commissioner must provide long-term
196.26 care consultation services as specified in the contract.

196.27 (e) A lead agency must provide the commissioner with an administrative contact for
196.28 communication purposes.

196.29 (f) A lead agency may contract under this subdivision with any hospital licensed under
196.30 sections 144.50 to 144.56 to conduct assessments of patients in the hospital on behalf of
196.31 the lead agency when the lead agency has failed to meet its obligations under subdivision
196.32 17. The contracted assessment must be conducted by a hospital employee who is a qualified,

197.1 certified assessor. The hospital employees who perform assessments under the contract
 197.2 between the hospital and the lead agency may perform assessments in addition to other
 197.3 duties assigned to the employee by the hospital, except the hospital employees who perform
 197.4 the assessments under contract with the lead agency must not perform any waiver-related
 197.5 tasks other than assessments. Hospitals are not eligible for reimbursement under subdivision
 197.6 33. The lead agency that enters into a contract with a hospital under this paragraph is
 197.7 responsible for oversight, compliance, and quality assurance for all assessments performed
 197.8 under the contract.

197.9 (g) The commissioner must employ certified assessors within the department to conduct
 197.10 assessments on behalf of lead agencies under conditions and circumstances determined by
 197.11 the commissioner. Certified assessors employed by the department may conduct assessments
 197.12 in addition to other duties as assigned, except the certified assessors employed by the
 197.13 department must not perform any responsibilities of a lead agency described in this section
 197.14 other than assessments. Nothing in this paragraph creates an obligation for the department
 197.15 to provide the department's certified assessors to conduct assessments on behalf of a lead
 197.16 agency.

197.17 Sec. 6. Minnesota Statutes 2024, section 256B.69, subdivision 1, is amended to read:

197.18 Subdivision 1. **Purpose.** (a) The commissioner of human services shall establish a
 197.19 medical assistance demonstration project to determine whether prepayment combined with
 197.20 better management of health care services is an effective mechanism to ensure that all
 197.21 eligible individuals receive necessary health care in a coordinated fashion while containing
 197.22 costs. For the purposes of this project, waiver of certain statutory provisions is necessary
 197.23 in accordance with this section.

197.24 (b) Effective January 1, 2029, or upon the date the administrative service organization
 197.25 begins administering medical assistance under section 256B.697, whichever is later, this
 197.26 section applies only to medical assistance members enrolled in integrated Medicare products
 197.27 for individuals with disabilities and seniors and MinnesotaCare. The commissioner of human
 197.28 services must notify the revisor of statutes when the administrative service organization
 197.29 begins administering medical assistance.

197.30 Sec. 7. **[256B.697] MEDICAL ASSISTANCE ADMINISTRATIVE SERVICE**
 197.31 **ORGANIZATION.**

197.32 (a) Effective January 1, 2029, the commissioner must contract with an administrative
 197.33 service organization to administer the medical assistance program on a statewide basis. The

198.1 administrator is responsible for the administration of all populations within medical assistance
 198.2 except individuals enrolled in integrated Medicare products, including but not limited to
 198.3 Minnesota Senior Health Options and Special Needs BasicCare.

198.4 (b) Services performed by the administrator may include but are not limited to:

198.5 (1) claims processing for all covered services;

198.6 (2) coordination of care for members;

198.7 (3) program integrity initiatives;

198.8 (4) management of third-party liability requirements;

198.9 (5) development, execution, and maintenance of a claims processing system compliant
 198.10 with all applicable state and federal laws and regulations;

198.11 (6) assistance and outreach to recipients to manage and access needed care;

198.12 (7) assistance and outreach to enrolled providers;

198.13 (8) utilization management and medical necessity review of services; and

198.14 (9) quality improvement and program evaluation initiatives.

198.15 (c) Rates paid to providers under this section must be the same rates paid to providers
 198.16 under this chapter and chapter 256.

198.17 (d) The administrator may, with the approval of the commissioner, elect to subcontract
 198.18 with other entities to assist in the delivery and administration of services.

198.19 (e) The commissioner may elect to contract separately from the administrative services
 198.20 organization for care coordination if the commissioner determines additional support is
 198.21 needed for members to access medically necessary care.

198.22 **Sec. 8. DIRECTION TO COMMISSIONER; ADMINISTRATIVE SERVICE**
 198.23 **ORGANIZATION TRANSFER ASSESSMENT.**

198.24 (a) The commissioner of human services must procure a contract with a vendor to assess
 198.25 the current status and plan for the transfer of administration of medical assistance to the
 198.26 commissioner's administrative service organization under Minnesota Statutes, section
 198.27 256B.697, by January 1, 2033. The commissioner must submit the assessment to the chairs
 198.28 and ranking minority members of the legislative committees with jurisdiction over human
 198.29 services and health care policy and finance by October 1, 2028.

198.30 (b) The assessment must include:

199.1 (1) a comprehensive assessment of medical assistance eligibility functions performed
 199.2 by counties and Tribal governments, including identification of handoffs between county
 199.3 and Tribal eligibility workers and state eligibility workers, and a catalog of eligibility
 199.4 functions performed by state eligibility workers;

199.5 (2) examination of current expenditures, administrative budgets, and federal financial
 199.6 participation in county and Tribal administrative work related to medical assistance eligibility
 199.7 activities;

199.8 (3) eligibility system review, mapping, and recommended updates; and

199.9 (4) recommendations for a successful transition of centralized eligibility functions based
 199.10 on consultation with stakeholders, review of information provided by county and Tribal
 199.11 governments, review of other states' best practices for maximizing federal dollars, a feasible
 199.12 timeline of activities, and required legislative changes and actions.

199.13 (c) The commissioner must consult with the Tribal Nations, the Association of Minnesota
 199.14 Counties, and the Minnesota Association of County Social Service Administrators on the
 199.15 final deliverables included in the assessment.

199.16 **Sec. 9. MNCHOICES REDESIGN WORKING GROUP.**

199.17 Subdivision 1. **Establishment.** The commissioner of human services shall convene a
 199.18 MnCHOICES Redesign Working Group to develop recommendations related to state
 199.19 provision of MnCHOICES assessments under Minnesota Statutes, section 256B.0911,
 199.20 subdivision 14, paragraph (g).

199.21 Subd. 2. **Membership.** At a minimum, the working group must include the following
 199.22 members:

199.23 (1) two individuals receiving waiver services or the individuals' family members or
 199.24 advocates, appointed by the commissioner in consultation with organizations representing
 199.25 individuals with lived experience of disability and waiver services;

199.26 (2) three county representatives, appointed by the Minnesota Association of County
 199.27 Social Service Administrators, including;

199.28 (i) at least one representative of a lead agency located in a metropolitan county, as defined
 199.29 in Minnesota Statutes, section 473.121, subdivision 4; and

199.30 (ii) at least two representatives of lead agencies located outside of a metropolitan county,
 199.31 as defined in Minnesota Statutes, section 473.121, subdivision 4;

200.1 (3) one staff member from the Minnesota Social Service Association, appointed by the
200.2 Minnesota Social Service Association;

200.3 (4) at least three representatives from Tribal Nations, appointed by the commissioner;

200.4 (5) two representatives of disability advocacy organizations, appointed by the
200.5 commissioner; and

200.6 (6) additional nonvoting participants as determined by the commissioner, which may
200.7 include staff from the Department of Human Services and other interested parties.

200.8 Subd. 3. **Duties.** The working group shall make recommendations to shift the
200.9 responsibility and administration of conducting MnCHOICES assessments to the state.

200.10 Recommendations must include:

200.11 (1) defined roles and responsibilities between county, Tribal Nation, and state functions;

200.12 (2) revised payment methodologies and financing of duties;

200.13 (3) efficient workflows between local and state functions;

200.14 (4) service continuity for people seeking and receiving long-term services and supports;
200.15 and

200.16 (5) methods for gathering public feedback and providing public awareness.

200.17 Subd. 4. **Terms, compensation, and removal.** The terms, compensation, and removal
200.18 of the working group members are governed by Minnesota Statutes, section 15.059,
200.19 subdivision 3.

200.20 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group
200.21 must be convened no later than August 1, 2026. The working group must meet at least
200.22 monthly. The working group may meet by telephone or interactive technology consistent
200.23 with Minnesota Statutes, section 13D.015.

200.24 (b) The Department of Human Services shall provide staff and administrative support
200.25 to convene the working group, facilitate working group meetings, and prepare the final
200.26 report.

200.27 Subd. 6. **Report.** By September 1, 2027, the commissioner must submit a report of the
200.28 working group's findings and recommendations, including but not limited to any legislative
200.29 changes necessary to implement the recommendations, to the chairs and ranking minority
200.30 members of the legislative committees with jurisdiction over human services policy and
200.31 finance.

201.1 Subd. 7. Expiration. The working group expires upon submission of the report required
 201.2 under subdivision 6.

201.3 Sec. 10. DIRECTION TO COMMISSIONER; WAIVER CASE MANAGEMENT
 201.4 REQUIREMENTS AND COSTS STUDY.

201.5 (a) The commissioner of human services must analyze and provide recommendations
 201.6 on waiver case management services. The commissioner must develop a request for proposals
 201.7 for a contract with a third party to conduct a study. The study and recommendations must
 201.8 include:

201.9 (1) definition of roles and responsibilities for waiver case management services, including
 201.10 but not limited to oversight functions and requirements of waiver case management services;

201.11 (2) an assessment of providing waiver case management in acute care settings to ensure
 201.12 continuity of care; and

201.13 (3) an update to the rate methodology to ensure payments reflect the costs of providing
 201.14 waiver case management services.

201.15 (b) The commissioner must consult with lead agencies, providers across the spectrum
 201.16 of services and regions of the state, and culturally responsive providers in the development
 201.17 of the request for proposals for the study and for the duration of the contract.

201.18 (c) By June 30, 2027, the commissioner must submit a final report to the chairs and
 201.19 ranking minority members of the legislative committees with jurisdiction over human
 201.20 services policy and finance that includes the results of the analysis and the recommendations
 201.21 required under this section.

201.22 Sec. 11. DIRECTION TO COMMISSIONER; ASSESSMENT OF
 201.23 ADMINISTRATION ROLES.

201.24 (a) The commissioner of human services, in consultation with Tribal Nations and counties,
 201.25 must conduct a study to assess and recommend improvements to the roles and responsibilities
 201.26 of the state agency, counties, and Tribal Nations in administering human services programs.

201.27 (b) The study must include a comprehensive review of programs administered by the
 201.28 department, including but not limited to medical assistance, MinnesotaCare, behavioral
 201.29 health services, long-term services and supports, housing and homelessness programs,
 201.30 Minnesota supplemental aid, general assistance, and licensing and oversight functions.

201.31 (c) The study must evaluate the:

202.1 (1) current roles and responsibilities held by the state agency, counties, and Tribal Nations
 202.2 in administering human services programs, including but not limited to the challenges and
 202.3 benefits of the current delegation of roles and responsibilities;

202.4 (2) lived experience of people accessing human services programs related to the
 202.5 delegation of administrative duties;

202.6 (3) financing of human services program administration across the state agency, counties,
 202.7 and Tribal Nations; and

202.8 (4) administration of human services programs in other states, focusing on the roles and
 202.9 responsibilities of the local governments versus the state Medicaid or human services agency,
 202.10 and identifying the benefits, challenges, and financing of the delegation of duties.

202.11 (d) The study must focus on the goals of transforming the human services system to
 202.12 ensure a transparent, accessible, accountable, equitable, and effective human services system.

202.13 (e) The study must provide recommendations for the optimal delegation of duties between
 202.14 the state agency, counties, and Tribal Nations in the delivery of human services.

202.15 Recommendations must include:

202.16 (1) how the delegation of duties will improve the experience of people accessing human
 202.17 services;

202.18 (2) implementation and timing considerations to ensure continuity of services;

202.19 (3) systems technology adaptations required;

202.20 (4) workforce considerations; and

202.21 (5) financing strategies and the estimated fiscal impact to the state budget.

202.22 (f) By October 1, 2028, the commissioner must submit a report on the study and
 202.23 recommendations to the chairs and ranking minority members of the legislative committees
 202.24 with jurisdiction over health and human services policy and finance.

202.25 Sec. 12. **REPEALER.**

202.26 (a) Minnesota Statutes 2024, section 256B.0371, subdivisions 1, 2, and 4, are repealed.

202.27 (b) Minnesota Statutes 2025 Supplement, sections 256B.0371, subdivision 3; and
 202.28 256B.696, are repealed.

202.29 (c) Minnesota Statutes 2025 Supplement, section 256B.695, is repealed.

203.1 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective the day following final
 203.2 enactment. Paragraph (c) is effective January 1, 2029, or upon the date the administrative
 203.3 service organization begins administering medical assistance under Minnesota Statutes,
 203.4 section 256B.697, whichever is later. The commissioner of human services must notify the
 203.5 revisor of statutes when the administrative service organization begins administering medical
 203.6 assistance.

203.7 **ARTICLE 8**

203.8 **APPROPRIATIONS**

203.9 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

203.10 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
 203.11 shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special
 203.12 Session chapter 3, article 20, from the general fund or any fund named for the purposes
 203.13 specified in this article, to be available for the fiscal year indicated for each purpose. The
 203.14 figures "2026" and "2027" used in this article mean that the appropriations listed under them
 203.15 are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The
 203.16 first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is
 203.17 fiscal years 2026 and 2027.

203.18 **APPROPRIATIONS**

203.19 **Available for the Year**

203.20 **Ending June 30**

203.21 **2026**

2027

203.22 Sec. 2. **COMMISSIONER OF HUMAN**
 203.23 **SERVICES**

\$

-0-

\$ (100,804,000)

203.24 Subdivision 1. **Total Appropriation**

203.25 Appropriations by Fund

203.26 2026

2027

203.27 General -0- (102,817,000)

203.28 State Government

203.29 Special Revenue -0- 2,013,000

203.30 The amounts that may be spent for each
 203.31 purpose are specified in this article.

203.32 Sec. 3. **CENTRAL OFFICE; OPERATIONS**

\$

-0-

\$ 29,507,000

204.1 Subdivision 1. **Base Adjustment**

204.2 The general fund base for appropriations for
204.3 this section is increased by \$27,301,000 in
204.4 fiscal year 2028 and \$26,427,000 in fiscal year
204.5 2029.

204.6 Subd. 2. **Assessment of State, County, and**
204.7 **Tribal Nation Roles in Administering Human**
204.8 **Services Programs**

204.9 \$3,000,000 in fiscal year 2027 is for an
204.10 assessment of state, county, and Tribal Nation
204.11 roles in administering human services
204.12 programs. This is a onetime appropriation and
204.13 is available until June 30, 2029.

204.14 Subd. 3. **Evaluation of DHS Structure and**
204.15 **Processes**

204.16 \$500,000 in fiscal year 2027 is for a
204.17 comprehensive evaluation of DHS's structure
204.18 and processes. This is a onetime appropriation
204.19 and is available until June 30, 2028.

204.20 Subd. 4. **Waiver Case Management Study**

204.21 \$300,000 in fiscal year 2027 is for a study on
204.22 waiver case management services. This is a
204.23 onetime appropriation and is available until
204.24 June 30, 2028.

204.25 Sec. 4. **CENTRAL OFFICE; HEALTH CARE** \$ -0- \$ 49,727,000

204.26 Subdivision 1. **Medical Assistance Eligibility**
204.27 **Study**

204.28 \$2,000,000 in fiscal year 2027 is for a study
204.29 on the transfer of eligibility functions of the
204.30 medical assistance program performed by
204.31 county and Tribal governments to the
204.32 Department of Human Services. This is a
204.33 onetime appropriation and is available until
204.34 June 30, 2029.

205.1 **Subd. 2. Base Adjustment**

205.2 The general fund base for appropriations in
 205.3 this section is increased by \$86,547,000 in
 205.4 fiscal year 2028 and \$102,390,000 in fiscal
 205.5 year 2029.

205.6 **Sec. 5. CENTRAL OFFICE; AGING AND**
 205.7 **DISABILITY SERVICES**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,385,000</u>
-----------	------------	-----------	------------------

205.8 The general fund base for appropriations in
 205.9 this section is increased by \$10,070,000 in
 205.10 fiscal year 2028 and \$9,427,000 in fiscal year
 205.11 2029.

205.12 **Sec. 6. CENTRAL OFFICE; BEHAVIORAL**
 205.13 **HEALTH**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>538,000</u>
-----------	------------	-----------	----------------

205.14 **Subdivision 1. Base Adjustment**

205.15 The general fund base for appropriations in
 205.16 this section is increased by \$826,000 in fiscal
 205.17 year 2028 and \$708,000 in fiscal year 2029.

205.18 **Subd. 2. Coordinated Specialty Care Evaluation**

205.19 \$250,000 in fiscal year 2027 is for evaluation,
 205.20 provider training, capacity building, and
 205.21 outcome reporting related to the
 205.22 implementation of coordinated specialty care.

205.23 The base for this appropriation is \$250,000 in
 205.24 fiscal year 2028 and \$150,000 in fiscal year
 205.25 2029.

205.26 **Sec. 7. CENTRAL OFFICE; OFFICE OF**
 205.27 **INSPECTOR GENERAL**

205.28 **Subdivision 1. Total Appropriation**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>38,831,000</u>
-----------	------------	-----------	-------------------

205.29 Appropriations by Fund

205.30 <u>General</u>	<u>-0-</u>	<u>36,818,000</u>
205.31 <u>State Government</u>		
205.32 <u>Special Revenue</u>	<u>-0-</u>	<u>2,013,000</u>

206.1 Subd. 2. Base Adjustments

206.2 The general fund base for appropriations in
 206.3 this section is increased by \$37,818,000 in
 206.4 fiscal year 2028 and \$37,818,000 in fiscal year
 206.5 2029. The state government special revenue
 206.6 fund base for appropriations in this section is
 206.7 increased by \$2,352,000 in fiscal year 2028
 206.8 and \$2,352,000 in fiscal year 2029.

206.9 Sec. 8. FORECASTED PROGRAMS;

206.10 MEDICAL ASSISTANCE \$ -0- \$ (233,167,000)

206.11 (a) The general fund base for appropriations
 206.12 in this section is decreased by \$193,982,000
 206.13 in fiscal year 2028 and \$231,254,000 in fiscal
 206.14 year 2029.

206.15 (b) Contingent upon implementation of the
 206.16 administrative service organization model, the
 206.17 base is increased by \$8,883,000 in fiscal year
 206.18 2029 from the general fund to increase medical
 206.19 assistance payment rates.

206.20 Sec. 9. GRANT PROGRAMS; HEALTH CARE

206.21 GRANTS \$ -0- \$ 1,500,000

206.22 The general fund base for appropriations in
 206.23 this section is increased by \$1,750,000 in fiscal
 206.24 year 2028 and \$1,125,000 in fiscal year 2029.

206.25 Sec. 10. GRANT PROGRAMS; REFUGEE

206.26 SERVICES GRANTS \$ -0- \$ 10,000,000

206.27 This is a onetime appropriation.

206.28 Sec. 11. GRANT PROGRAMS; HOUSING AND

206.29 SUPPORT SERVICES GRANTS \$ -0- \$ 192,000

206.30 \$1,250,000 in fiscal year 2027 is for grants to
 206.31 utilize a collaborative model where a housing
 206.32 support provider operating under Minnesota
 206.33 Statutes, section 256I.04, connects eligible
 206.34 individuals receiving integrated community

207.1 supports with housing support assistance. This
 207.2 is a onetime appropriation and is available
 207.3 until June 30, 2028.

207.4 **Sec. 12. GRANT PROGRAMS; ADULT**
 207.5 **MENTAL HEALTH GRANTS** \$ -0- \$ (1,317,000)

207.6 **Sec. 13. GRANT PROGRAMS; CHILD**
 207.7 **MENTAL HEALTH GRANTS** \$ -0- \$ 361,000

207.8 Sec. 14. Laws 2025, First Special Session chapter 3, article 22, section 2, is amended to
 207.9 read:

207.10 **Sec. 2. COMMISSIONER OF CHILDREN,** **1,408,374,000**
 207.11 **YOUTH, AND FAMILIES** \$ **1,380,107,000** \$ **1,411,678,000**

207.12 Appropriations by Fund

	2026	2027
207.13		1,086,200,000
207.14		<u>1,089,504,000</u>
207.15	General 1,078,643,000	<u>1,089,504,000</u>
207.16	State Government	
207.17	Special Revenue 732,000	732,000
207.18	Federal TANF 300,396,000	321,106,000
207.19	Family and Medical	
207.20	Benefit Insurance 336,000	336,000

207.21 The amounts that may be spent for each
 207.22 purpose are specified in the following sections.

207.23 Sec. 15. Laws 2025, First Special Session chapter 3, article 22, section 4, subdivision 1,
 207.24 is amended to read:

207.25 **102,268,000**
 207.26 **Subdivision 1. Total Appropriation** \$ **134,544,000** \$ **105,572,000**

207.27 Appropriations by Fund

	2026	2027
207.28		101,100,000
207.29		<u>104,404,000</u>
207.30	General 133,376,000	<u>104,404,000</u>
207.31	State Government	
207.32	Special Revenue 732,000	732,000
207.33	Federal TANF 100,000	100,000
207.34	Family and Medical	
207.35	Benefit Insurance 336,000	336,000

208.1 Sec. 16. Laws 2025, First Special Session chapter 3, article 22, section 4, is amended by
208.2 adding a subdivision to read:

208.3 **Subd. 4. Program Administration Assessment**

208.4 \$2,500,000 in fiscal year 2027 is from the
208.5 general fund for an assessment of state,
208.6 county, and Tribal Nation roles in
208.7 administering human services programs. This
208.8 is a onetime appropriation and is available
208.9 until June 30, 2029.

208.10 Sec. 17. Laws 2025, First Special Session chapter 9, article 12, section 21, is amended to
208.11 read:

208.12	Sec. 21. GRANT PROGRAMS; CHEMICAL			
208.13	DEPENDENCY TREATMENT SUPPORT			5,405,000
208.14	GRANTS	\$	5,405,000	\$ <u>5,044,000</u>

208.15 **Subdivision 1. Appropriations by Fund**

208.16	Appropriations by Fund		
208.17		2026	2027
208.18			3,672,000
208.19	General	3,672,000	<u>3,311,000</u>
208.20	Lottery Prize	1,733,000	1,733,000

208.21 **Subd. 2. Problem Gambling**

208.22 \$225,000 in fiscal year 2026 and \$225,000 in
208.23 fiscal year 2027 are from the lottery prize fund
208.24 for a grant to a state affiliate recognized by
208.25 the National Council on Problem Gambling.
208.26 The affiliate must provide services to increase
208.27 public awareness of problem gambling,
208.28 education, training for individuals and
208.29 organizations that provide effective treatment
208.30 services to problem gamblers and their
208.31 families, and research related to problem
208.32 gambling.

209.1 **Subd. 3. Todd County Peer Support Grants**

209.2 \$150,000 in fiscal year 2026 and \$150,000 in
209.3 fiscal year 2027 are for a grant to an
209.4 organization in Todd County that provides
209.5 daily peer support and specialized sessions for
209.6 individuals in substance use recovery,
209.7 transitioning out of incarceration, or who have
209.8 experienced trauma. This is a onetime
209.9 appropriation and is available until June 30,
209.10 2028.

209.11 **Subd. 4. Opioid Overdose Crisis Grants**

209.12 \$175,000 in fiscal year 2026 and \$175,000 in
209.13 fiscal year 2027 are for grants to address the
209.14 opioid overdose crisis in communities and
209.15 populations that have been historically
209.16 underserved and disproportionately impacted
209.17 by opioid-related overdose deaths. Grant
209.18 funding must support culturally responsive
209.19 and community-based strategies that address
209.20 the intergenerational effects of substance use
209.21 disorder in African American, Native, and
209.22 African immigrant communities. This is a
209.23 onetime appropriation and is available until
209.24 June 30, 2028.

209.25 **Subd. 5. Beltrami Opioid Youth and Family**
209.26 **Grant**

209.27 \$100,000 in fiscal year 2026 and \$100,000 in
209.28 fiscal year 2027 are for a grant to Beltrami
209.29 County to support families and children
209.30 affected by the opioid epidemic. This is a
209.31 onetime appropriation and is available until
209.32 June 30, 2028.

210.1 **Subd. 6. Base Level Adjustment**

210.2 The general fund base for this section is
210.3 \$3,247,000 in fiscal year 2028 and \$3,247,000
210.4 in fiscal year 2029.

210.5 **Sec. 18. APPROPRIATION; HEALTH CARE SUSTAINABILITY.**

210.6 \$250,000 in fiscal year 2027 is appropriated to the commissioner of management and
210.7 budget for a study to evaluate strategies to promote the long-term financial stability of safety
210.8 net health care providers across Minnesota. This is a onetime appropriation.

210.9 **Sec. 19. APPROPRIATION; STATEWIDE CRISIS TELEPHONE SERVICES.**

210.10 \$1,125,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
210.11 of health for regional coordination and 24-hour-a-day, seven-day-a-week statewide crisis
210.12 telephone services.